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Industrial Development Bank, Ottawa.

Gouvernement  
Publication

Report (of the President)  
and statement of accounts (fiscal year)

CAI

FN130

R27

1966



***idb*** INDUSTRIAL  
DEVELOPMENT BANK



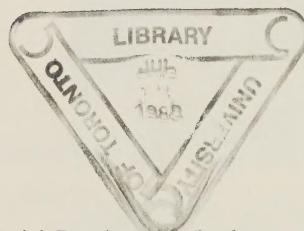


HEAD OFFICE

OTTAWA

December 9th, 1966

The Hon. Mitchell Sharp, P.C.,  
Minister of Finance,  
Ottawa, Ontario.



Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1966, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

*L. Rasminsky*

President

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*Broadloom carpeting entering a shearing machine.*

*Making curling stones from native granite.*



*Over the past twenty-two years, the Industrial Development Bank has provided financial assistance, chiefly in the form of term mortgage loans, to over 12,000 small and medium size businesses located in all parts of Canada. Amounting to a total of almost \$850 million, these loans have been used to help start, modernize, and expand many business enterprises and have assisted in other ways in promoting the growth of the economy.*

*Today, the Bank has some 7,800 accounts on its books. The enterprises involved represent practically every facet of business endeavour including manufacturing, construction, tourist and recreational businesses, agriculture, transportation, retail and wholesale trades, and professional services. The operations of some of the Bank's customers are depicted in the photographs included in this report.*



*Tobacco harvesting machine starting to pick a rich crop.*

# HIGHLIGHTS

## Amount of loans at September 30, 1966:

*(millions of dollars)*

Outstanding . . . . .	\$297.2
Undisbursed . . . . .	52.5
	<hr/>
	\$349.7

## Number of customers at fiscal year-end:

Fiscal 1964 . . . . .	6,027
“ 1965 . . . . .	6,961
“ 1966 . . . . .	7,868

## Number of loans approved in fiscal year:

Fiscal 1964 . . . . .	2,083
“ 1965 . . . . .	2,209
“ 1966 . . . . .	2,334

## Amount of loans approved in fiscal year:

*(millions of dollars)*

Fiscal 1964 . . . . .	\$ 88.1
“ 1965 . . . . .	96.1
“ 1966 . . . . .	122.6





## ANNUAL REPORT OF THE PRESIDENT — 1966

The Industrial Development Bank was established by Act of Parliament in 1944 to provide a source of medium and long-term finance for businesses unable to raise funds from other sources on reasonable terms and conditions, with particular consideration to be given to the financing problems of small enterprises. Originally, the IDB was empowered to lend only to manufacturing concerns but successive amendments to the Act enlarged its scope of operations and since 1961 the IDB has been permitted to lend to virtually every kind of enterprise. After the 1961 amendment, there was a marked growth in lending activity and the IDB has approved about 2,000 loans in each fiscal year since 1962.

In the fiscal year ended September 30th, 1966, the IDB authorized 2,334 loans, approximately 6% more than in 1965 and approximately 12% more than in 1964. In fiscal 1966, the total amount of loans approved was \$122.6 million, 28% more than in 1965. The average size of loan was \$53,000. While our lending activity continued to grow at a moderate rate during the year, special scrutiny was given all larger loan applications in the light of the prevailing pressures on the economy.

In the past year 45% of the number of loans approved by the IDB were for amounts of \$25,000 or less, and 91% were for amounts of \$100,000 or less.

A detailed classification of loan approvals by size appears on pages 12 and 13.

## TYPES OF BUSINESS

A classification of loan approvals by types of business is given below for the past three fiscal years; the proportion of the total number and amount of loans directed to the different segments of the business community has been fairly constant.

	Fiscal 1964		Fiscal 1965		Fiscal 1966	
	No.	Amount	No.	Amount	No.	Amount
Manufacturing.....	35%	48%	36%	47%	36%	48%
Transportation and Storage.....	4	6	6	7	4	5
Construction.....	6	5	6	5	6	5
Agriculture.....	10	7	9	7	8	5
Wholesale and Retail Trade.....	21	15	23	16	23	18
Tourist Industry.....	14	12	11	9	12	10
Other.....	10	7	9	9	11	9
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

More detailed figures appear on pages 16 and 17.

## CUSTOMERS' PROGRAMMES

In fiscal 1966 IDB loans in the amount of \$123 million helped in financing customers' programmes totalling \$175 million. As in previous years, these programmes were directed for the most part towards financing the acquisition of fixed assets of all kinds, with an increase in the proportion allotted to land and buildings:

	Fiscal 1964	Fiscal 1965	Fiscal 1966
Land and buildings.....	39%	39%	46%
Machinery and equipment.....	29	32	31
Increase in working capital.....	16	13	10
Refinancing of mortgages, liens, etc.....	10	9	7
Changes of ownership.....	5	5	4
All other programmes.....	1	2	2
	<u>100%</u>	<u>100%</u>	<u>100%</u>

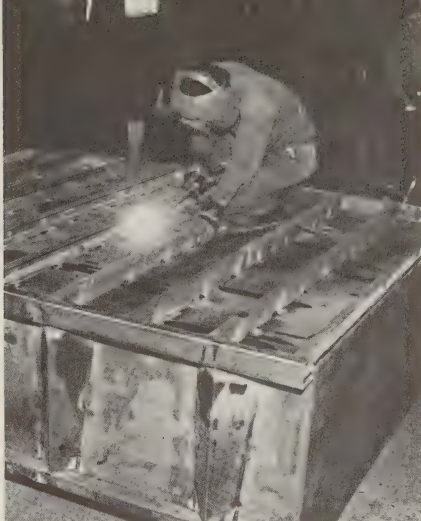
In fiscal 1966 the IDB's share of the total financing of these programmes was somewhat smaller than in recent years:

	Fiscal 1964	Fiscal 1965	Fiscal 1966
IDB.....	74%	76%	70%
Other sources.....	26	24	30
	<u>100%</u>	<u>100%</u>	<u>100%</u>



*Shaping a glass ornament.*

*Equipment for modern cafeteria.*

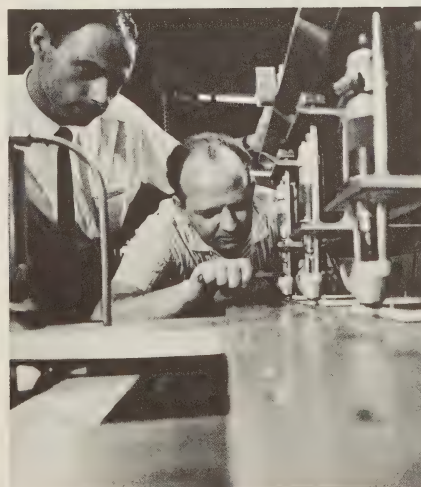


*Welding a body for a dump truck.*

*Retail drugstore operation.*



*Tending beehives.*



*Producing printed electrical circuits.*



## ORGANIZATION

During the course of 1966, a major reorganization of the Bank was undertaken to provide further administrative decentralization. This action was taken in line with IDB's objective of improving the quality and speed of service and maintaining closer contact with regional developments. It involved the establishment of four regional offices — Atlantic, Quebec, Central and Western — each headed by a newly-appointed Assistant General Manager. Accompanying these changes was the delegation to the Assistant General Managers of increased responsibility in approving loans at the regional offices located at Halifax, Montreal, Toronto and Winnipeg. In 1966 over 80% of all loans were approved at regional offices or local branches. However, the full effect of the decentralization, which was implemented in the last quarter of the fiscal year, will not be felt until 1967.

During the year the Toronto Branch, one of the largest, was divided into the Metropolitan Toronto Branch, serving the metropolitan area, and the Mid-Ontario Branch, serving the rest of central Ontario not served by other branches. The success of this move led to a similar reorganization of the IDB's largest branch, that at Montreal. The Montreal (North) Branch has been established to serve the northern part of Montreal Island and the area to the north of the St. Lawrence River not served by other branches. The Montreal (South) Branch serves the southern part of Montreal Island and the area to the south of the St. Lawrence River. These changes bring the number of branches across the country to 28. They are listed on pages 26 and 27.

The IDB has continued its efforts to bring the nature of its services to the attention of businessmen. Officers make frequent visits to centres at some distance from the larger towns in which IDB branches are located. These visits are advertised in advance in the local newspapers and by other media. It has been found that the visits constitute a most effective way of advertising the IDB's services and the programme was once again stepped up; in fiscal 1966, 510 visits were made to 197 cities and towns compared with 436 visits to 143 communities in fiscal 1965. In addition to these efforts, and IDB's normal advertising in newspapers and other journals, officers of the Bank often address gatherings of businessmen to describe its activities. Some 65 such speeches were made in fiscal 1966.

## FINANCIAL STATEMENTS

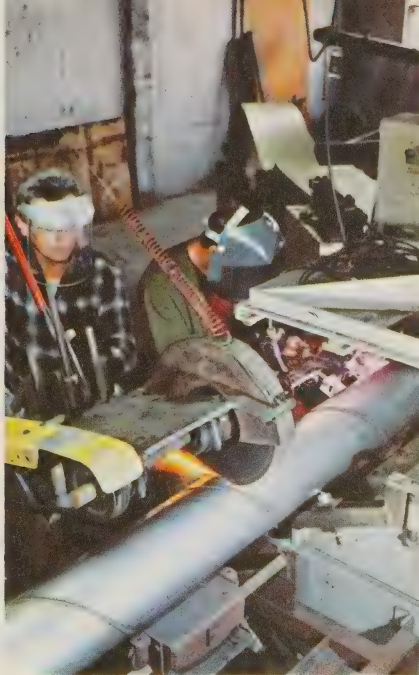
The statements of income and expense and the year-end balance sheets for the fiscal years 1965 and 1966 appear on pages 18, 20 and 21.

Loan disbursements totalled \$98 million in fiscal 1966, an increase of \$17.2 million over fiscal 1965. Repayments amounted to \$54.8 million, up \$5 million over last year. Of the remaining funds required to be raised \$36.5 million was obtained from the sale of debentures and \$3 million from the issue of share capital.



*Commercial air service.*

*West coast golf course.*



*Manufacturing spiral welded stainless steel pipe.*

*Producing laminated beams for construction purposes.*



In accordance with the Industrial Development Bank Act, the additional share capital was subscribed by the Bank of Canada, which also purchased all debentures issued during the year.

While income at \$19.8 million was 16% higher than in fiscal 1965, net income was lower. Because of the general rise in the level of interest rates as well as the consequent increase in the cost of borrowed funds to the Bank, the IDB's standard lending rate was raised to 7½% in February and since then, to an increasing extent, higher interest rates have been applied to larger loans.

Income and expenses for fiscal 1966 together with comparative figures for the previous five years are summarized as follows:

	Fiscal 1961	Fiscal 1962	Fiscal 1963	Fiscal 1964	Fiscal 1965	Fiscal 1966
	(thousands of dollars)					
Income.....	7,424	9,692	12,629	14,660	17,107	19,775
<i>Less:</i>						
Operating expenses.....	2,779	4,141	4,651	4,906	5,295	6,390
Cost of debentures.....	3,008	4,486	6,556	7,891	9,549	11,457
Net income before provision for losses....	1,637	1,065	1,422	1,863	2,263	1,928
<i>Less:</i> Provision for bad and doubtful debts	444	650	729	998	1,323	1,393
Net income transferred to Reserve Fund...	1,193	415	693	865	940	535

Bad debts aggregating \$458,705 were written off out of the Reserve for Losses during the year, while \$65,354 previously written off was recovered. The sum of \$1,393,000 was appropriated from profits to the Reserve for Losses, which stood at \$6,250,000 at the year-end, representing 1.79% of the \$349.7 million of loans outstanding or committed.

As the IDB Act provides, the net income for 1966 of \$534,480 remaining after provision for bad and doubtful debts was added to the Reserve Fund, raising it to \$18,957,576.

## STAFF

The growth of business during the year necessitated additions to the staff. At the end of the fiscal year the total number was 606, compared with 557 a year before.

To attain the aims set out for it by Parliament, the IDB must rely on the ability and initiative of its staff. That the Bank has been so effective in furthering the growth of small businesses in Canada, is due, in large measure, to the very high degree to which these qualities have been loyally offered by all members of its staff.

*Pouring molten iron for the  
manufacture of castings*







# **idb** INDUSTRIAL DEVELOPMENT BANK

## LOAN APPROVALS During Fiscal Years Ending September 30

### CLASSIFICATION BY NEW OR EXISTING BORROWERS:

	NUMBER			
	1961	1962	1963	1964
To New Borrowers.....	1,070	1,730	1,532	1,514
To Existing Borrowers.....	295	355	454	569
Total.....	<u>1,365</u>	<u>2,085</u>	<u>1,986</u>	<u>2,083</u>

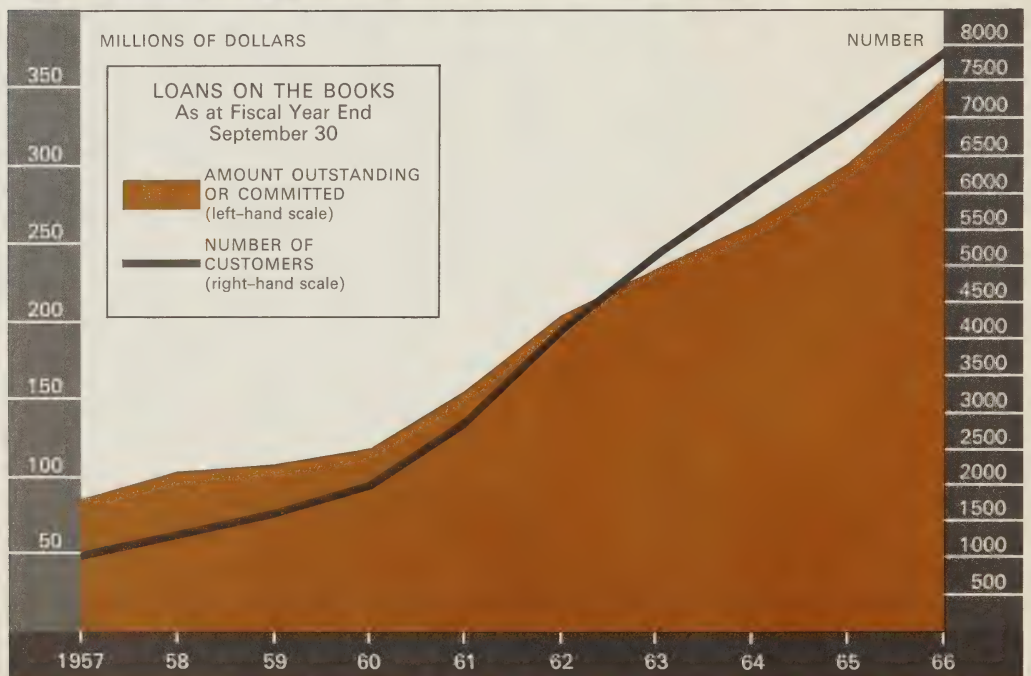
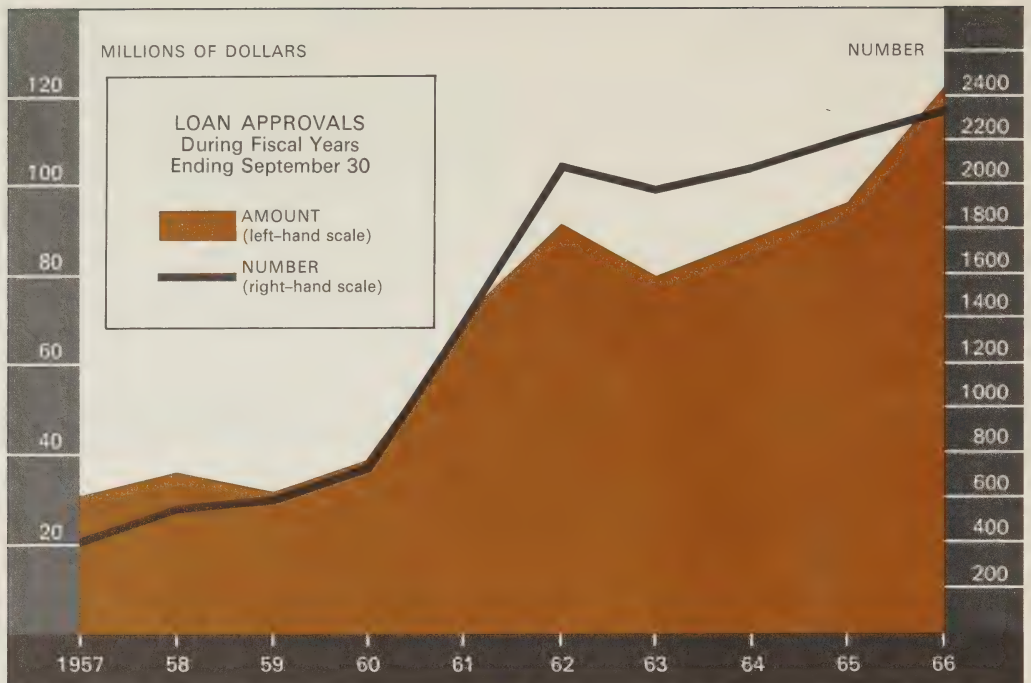
### CLASSIFICATION BY SIZE:

\$ 5,000 or less.....	39	72	100	86
Over 5,000 to 25,000.....	578	985	993	1,054
Over 25,000 to 50,000.....	372	526	476	519
Over 50,000 to 100,000.....	234	340	303	289
Over 100,000 to 200,000.....	105	121	84	96
Total up to \$200,000.....	<u>1,328</u>	<u>2,044</u>	<u>1,956</u>	<u>2,044</u>
Over \$200,000.....	37	41	30	39
Total.....	<u>1,365</u>	<u>2,085</u>	<u>1,986</u>	<u>2,083</u>
Average Size.....				

### CLASSIFICATION BY PROVINCE:

Newfoundland.....	21	60	52	60
Prince Edward Island.....	4	16	12	4
Nova Scotia.....	49	61	47	62
New Brunswick.....	61	89	70	52
Quebec.....	258	423	395	439
Ontario.....	538	810	676	675
Manitoba.....	106	143	158	153
Saskatchewan.....	64	86	79	121
Alberta.....	131	217	306	282
British Columbia.....	128	169	181	230
Yukon and N.W. Territories.....	5	11	10	5
Total.....	<u>1,365</u>	<u>2,085</u>	<u>1,986</u>	<u>2,083</u>

		AMOUNT (\$000)					
1965	1966	1961	1962	1963	1964	1965	1966
1,602	1,642	53,596	75,922	61,020	62,964	69,936	90,968
607	692	17,640	16,059	18,791	25,184	26,210	31,679
2,209	2,334	71,236	91,981	79,811	88,148	96,146	122,647
76	70	165	304	431	363	306	287
1,072	988	8,960	15,278	15,113	16,503	17,011	15,572
565	609	14,238	20,414	18,324	19,778	21,782	23,422
378	449	17,610	25,289	22,737	21,571	28,214	33,210
81	159	15,418	17,797	12,249	13,666	11,948	23,783
2,172	2,275	56,391	79,082	68,854	71,881	79,261	96,274
37	59	14,845	12,899	10,957	16,267	16,885	26,373
2,209	2,334	71,236	91,981	79,811	88,148	96,146	122,647
		52	44	40	42	44	53
46	45	754	1,628	1,531	1,982	1,588	1,508
7	9	70	403	305	61	278	362
51	57	2,130	2,840	1,881	2,122	2,356	2,386
62	59	2,711	2,491	2,276	1,747	1,794	2,719
485	450	16,884	24,340	22,520	24,982	25,479	31,935
684	752	24,952	33,686	27,902	28,124	30,123	42,646
165	144	5,433	6,417	5,525	5,808	5,855	6,329
153	150	3,133	2,938	2,404	3,777	4,742	6,447
256	299	5,990	8,041	8,388	8,786	8,980	10,873
293	359	9,032	8,605	6,727	10,569	14,692	16,942
7	10	147	592	352	190	259	500
2,209	2,334	71,236	91,981	79,811	88,148	96,146	122,647





## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1966		Total Authorizations November 1, 1944 to September 30, 1966	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
Newfoundland.....	180	6,146	252	11,256
Prince Edward Island.....	31	793	57	7,380
Nova Scotia.....	204	8,742	342	20,549
New Brunswick.....	248	8,154	438	22,135
Quebec.....	1,599	98,053	2,596	238,042
Ontario.....	2,652	117,287	4,192	274,916
Manitoba.....	584	20,654	887	49,971
Saskatchewan.....	445	14,941	632	33,074
Alberta.....	980	30,902	1,471	72,580
British Columbia.....	914	42,824	1,607	115,761
Yukon, N.W. Territories.....	31	1,185	53	3,436
Total.....	7,868	349,681	12,527	849,100

## SUMMARY STATISTICS OF LOANS

for Fiscal Years Ending September 30

(Millions of Dollars)	1961	1962	1963	1964	1965	1966
Amounts Drawn Down by Borrowers.....	47.5	74.3	74.0	69.6	80.8	98.0
Repayments by Borrowers.....	27.1	32.6	38.2	46.0	49.8	54.8
Amounts Written Off (net)						
Principal.....	.2	.2	.1	.2	.4	.3
Interest.....	..	..	..	..	(.2)	..
Increase in Amounts Outstanding.....	20.2	41.5	35.7	23.4	30.6	42.9
Amounts Outstanding at Year-End.....	123.1	164.6	200.3	223.7	254.3	297.2
Amounts Not Yet Disbursed at Year-End						
on Loans Authorized.....	31.1	39.0	31.7	39.7	42.6	52.5
Amounts Outstanding Plus Undisbursed at Year-End....	154.2	203.6	232.1	263.4	296.9	349.7
Number of Customers on the Books at Year-End.....	2,768	4,083	5,104	6,027	6,961	7,868
Average Amount Outstanding Plus Undisbursed per Customer (Thousands of Dollars).....	56	50	45	44	43	44

# CLASSIFICATION OF LOAN APPROVALS

	NUMBER			
	1961	1962	1963	1964
Manufacturing:				
Foods and Beverages.....	159	164	160	149
Tobacco and Tobacco Products.....	..	..	..	..
Rubber Products.....	8	1	6	5
Leather Products.....	15	6	6	14
Textile Products (except Clothing).....	15	27	26	19
Clothing (Textiles and Fur).....	49	53	45	38
Wood Products.....	126	130	112	115
Paper Products (including Pulp).....	18	11	18	15
Printing and Allied Industries.....	58	64	46	47
Iron and Steel Products (including Machinery and Equipment)....	189	164	165	183
Transportation Equipment.....	39	16	25	24
Non-Ferrous Metal Products.....	16	3	7	2
Electrical Apparatus and Supplies.....	22	25	13	16
Non-Metallic Mineral Products.....	65	66	54	47
Products of Petroleum and Coal.....	3	3	..	3
Chemical Products.....	28	27	26	9
Miscellaneous Manufacturing Industries.....	40	46	57	47
Commercial Air Services.....	20	20	12	15
Warehousing (including Refrigeration).....	13	12	11	9
Other Transportation and Storage.....	103	88	92	67
Electric Power, Gas, Water Utilities.....	..	2	2	4
Mines (incl. Milling), Quarries, Oil Wells.....	31	29	16	17
Construction.....	144	159	123	117
Industrial Buildings.....	29	33	34	36
Personal Services.....	1	14	24	11
Forestry.....	5	9	6	..
Wholesale Trade.....	33	154	121	151
Retail Trade.....	59	240	225	292
Education and Health Services.....	2	18	10	7
Recreation Services.....	1	32	33	44
Services to Business Management.....	4	24	21	13
Miscellaneous Services.....	19	34	39	43
Agriculture.....	11	106	175	201
Fishing and Trapping.....	..	1	6	5
Communications.....	..	14	7	16
Laundries, Cleaners and Pressers.....	34	52	45	52
Restaurants and Other Eating Places.....	4	59	64	82
Hotels, Motels and Other Lodgings.....	2	145	126	145
Theatres, Bowling Alleys, Billiard Halls.....	..	34	28	16
(Enterprises engaged in more than one type of business are classified according to major activity.)	1,365	2,085	1,986	2,083

# BY TYPE OF BUSINESS During Fiscal Years Ending September 30

## AMOUNT (\$000)

1965	1966	1961	1962	1963	1964	1965	1966
152	153	8,625	6,919	7,525	8,974	8,680	10,787
1	1	...	...	...	...	74	50
4	13	532	25	162	233	192	971
18	17	1,026	463	372	434	644	793
25	22	933	2,323	1,695	1,610	4,457	2,176
49	35	2,585	2,934	1,446	1,919	2,102	2,158
119	147	7,557	7,542	6,281	5,954	6,321	11,653
13	15	1,615	407	1,430	758	1,454	1,952
56	70	2,380	2,058	2,082	2,290	1,788	3,888
193	207	8,936	6,701	7,992	12,434	9,694	14,095
20	22	1,320	648	847	737	844	1,088
8	7	676	93	296	407	318	800
19	15	2,112	1,860	566	1,240	1,200	918
48	43	5,889	3,097	2,248	2,625	3,332	3,788
2	2	224	152	...	169	60	155
21	18	1,253	1,059	1,522	277	779	677
53	57	1,806	1,569	2,326	2,035	2,894	2,775
23	16	908	1,497	384	993	845	1,903
9	8	745	745	1,173	439	521	472
93	76	5,445	4,579	4,791	4,078	5,506	3,733
3	3	...	80	63	79	70	43
25	25	2,614	1,668	550	1,053	1,102	1,986
132	144	5,999	6,649	3,877	4,004	4,566	5,826
36	57	1,282	1,437	1,462	1,354	1,818	2,646
7	15	40	339	486	516	362	446
4	8	220	612	77	147	176	336
196	197	1,458	5,933	4,461	5,509	6,816	9,498
319	338	2,352	6,888	6,134	7,784	8,989	12,202
9	14	85	463	181	100	696	984
29	34	100	2,134	1,668	1,929	1,031	1,639
16	24	168	621	631	307	498	881
43	43	603	1,156	913	1,061	1,164	1,480
205	185	242	4,127	4,809	5,892	7,118	6,876
6	3	...	8	455	166	350	65
9	18	...	820	376	515	468	890
40	41	1,271	1,932	1,220	1,564	1,381	1,223
76	95	125	2,110	1,890	2,627	2,093	3,506
103	130	110	8,470	6,335	5,307	4,803	6,728
25	16	...	1,863	1,085	628	940	560
2,209	2,334	71,236	91,981	79,811	88,148	96,146	122,647



# INCOME AND EXPENSE

Year ended September 30, 1966  
(with comparative figures for 1965)

	(\$000)	(\$000)
	1966	1965
<b>INCOME</b>		
Interest .....	\$19,285	\$16,626
Profit on sale of investments .....	3	55
Sundry .....	487	426
	<u>\$19,775</u>	<u>\$17,107</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> .....	\$ 4,187	\$ 3,575
Pension funds, unemployment insurance and group insurance ..	540	252
Other staff expenses <sup>(2)</sup> .....	67	57
Investigation and supervision expenses .....	96	88
Travel and transfer expenses .....	235	161
Rental and other costs — leased premises .....	552	531
Depreciation on equipment .....	80	81
Advertising .....	96	105
Other public information <sup>(3)</sup> .....	70	47
Telephone and telegrams .....	148	132
Office supplies and expenses .....	216	156
Directors' fees .....	13	12
Auditors' fees and expenses .....	18	18
All other operating expenses .....	72	80
Total operating expenses .....	<u>\$ 6,390</u>	<u>\$ 5,295</u>
Interest on debentures (including amortization of discount and premium) .....	11,457	9,549
Provision for losses .....	1,393	1,323
	<u>\$19,240</u>	<u>\$16,167</u>
Net income transferred to reserve fund .....	<u>\$ 535</u>	<u>\$ 940</u>

(1) The number of staff averaged 590 in 1966 and 526 in 1965.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

# RESERVES

## STATEMENT OF RESERVE FUND

Year ended September 30, 1966 (with comparative figures for 1965)	(\$000)	(\$000)
	1966	1965
Balance, beginning of year . . . . .	\$18,423	\$17,483
Net income for the year . . . . .	535	940
Balance, end of year . . . . .	<u>\$18,958</u>	<u>\$18,423</u>

## STATEMENT OF RESERVE FOR LOSSES

Year ended September 30, 1966		(\$000)
Balance, beginning of year . . . . .		\$ 5,250
<i>Add:</i>		
Recovery of amounts previously written off . . . . .	\$ 65	
Provision for bad and doubtful debts for the year ended September 30, 1966 . . . . .	1,393	1,458
		<u>\$ 6,708</u>
<i>Less:</i>		
Bad debts written off . . . . .		458
Balance, end of year . . . . .		<u>\$ 6,250</u>

# ***idb* INDUSTRIAL DEVELOPMENT BANK**

## STATEMENT OF ASSETS AND LIABILITIES

ASSETS	1966	1965
Cash . . . . .	\$ 33,816	\$ 106,846
Loans and investments . . . . .	298,107,126	255,145,386
Accrued interest . . . . .	1,473,227	1,254,086
Property held for sale (including agreements for sale) . . . . .	868,745	579,054
Liability of others on guarantees and underwriting agreements (as per contra) . . . . .	30,475	17,975
Debenture discount and premium less amortization . . . . .	3,988,149	4,422,816
Other assets . . . . .	611,672	504,398
	<u>\$305,113,210</u>	<u>\$262,030,561</u>

NOTE: Amounts not disbursed at September 30, 1966 on loans and investments authorized, \$52,448,394 (1965, \$42,590,873)

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT



# AS AT SEPTEMBER 30, 1966 (with comparative figures for 1965)

LIABILITIES	1966	1965
Debentures outstanding . . . . .	\$232,800,000	\$195,400,000
Accrued interest on debentures . . . . .	5,663,500	4,438,500
Liabilities under guarantees and underwriting agreements . . . . .	30,475	17,975
Other liabilities . . . . .	411,659	500,990
Reserve for losses . . . . .	6,250,000	5,250,000
Capital:		
Capital stock — authorized 500,000 shares par value \$100 each; issued and outstanding — 1966, 410,000 shares — 1965, 380,000 shares . . . . .	41,000,000	38,000,000
Reserve fund . . . . .	18,957,576	18,423,096
	59,957,576	56,423,096
	<u>\$305,113,210</u>	<u>\$262,030,561</u>

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1966 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1966 according to the best of our information and as shown by the books of the bank.

H. MARCEL CARON, C.A.  
of Clarkson, Gordon & Cie

T. A. M. HUTCHISON, F.C.A.  
of Peat, Marwick, Mitchell & Co.

Ottawa, October 18, 1966





*Pressing department  
of a dry cleaning plant. Modern motel in Western Canada.*



*Earth moving equipment forming walls  
for a water control project.*



## BOARD OF DIRECTORS

*L. Rasminsky, C.B.E.	Ottawa, Ont.
*J. R. Beattie	Ottawa, Ont.
A. I. Barrow, C.A., R.I.A.	Halifax, N.S.
*R. B. Bryce	Ottawa, Ont.
A. J. E. Child	Calgary, Alta.
S. T. Green	Charlottetown, P.E.I.
S. Kanee	Winnipeg, Man.
P. H. Lavoie	Montreal, Que.
A. J. MacIntosh, Q.C.	Toronto, Ont.
*W. A. Mackintosh	Kingston, Ont.
L. Patrick, C.B.E.	Calgary, Alta.
F. J. Ryan, Q.C.	St. John's, Nfld.
W. F. Ryan, Q.C.	Fredericton, N.B.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.
*J. H. Warren	Ottawa, Ont.

*\*Member of the Executive Committee*

# OFFICERS

President . . . . . L. Rasminsky, C.B.E.

General Manager . . . . . A. N. H. James. . . . . Montreal  
 Deputy General Manager . . . . . E. R. Clark. . . . . Montreal  
 Assistant General Manager. . . . . C. E. DeAthe. . . . . Montreal  
 Assistant General Manager. . . . . H. J. C. Russell. . . . . Montreal  
 Assistant General Manager, Atlantic Region . . . . . H. R. Stoker. . . . . Halifax  
 Assistant General Manager, Quebec Region . . . . . Lucien Viau . . . . . Montreal  
 Assistant General Manager, Central Region . . . . . W. C. Stuart . . . . . Toronto  
 Assistant General Manager, Western Region . . . . . J. C. Ingram . . . . . Winnipeg

Secretary. . . . . L. F. Mundy . . . . . Ottawa  
 Deputy Secretary . . . . . P. D. Smith . . . . . Ottawa  
 Chief Accountant . . . . . A. J. Norton . . . . . Ottawa  
 Internal Auditor . . . . . E. Metcalfe. . . . . Ottawa

Superintendent of Credits . . . . . G. R. Elliott . . . . . Montreal  
 Administrative Assistant . . . . . P. F. Limoges . . . . . Montreal  
 Controller . . . . . A. Mackay. . . . . Montreal  
 Assistant Controller. . . . . C. B. Ready . . . . . Montreal  
 General Solicitor . . . . . H. M. Scott . . . . . Montreal  
 Associate General Solicitor. . . . . G. Bousquet, Q.C. . . . . Montreal  
 Chief, Insurance Department . . . . . W. L. Mundy. . . . . Montreal  
 Chief, Loan Accounting Department . . . . . H. Duncan. . . . . Montreal  
 Deputy Secretary . . . . . C. I. Stuart. . . . . Montreal  
 Personnel Officer . . . . . E. C. Scott . . . . . Montreal  
 Information Officer . . . . . J. W. Siviers . . . . . Montreal  
 Engineering Adviser. . . . . B. O. Heron . . . . . Montreal  
 Special Assistant . . . . . R. Turta . . . . . Montreal

## OFFICERS (continued)

### REGIONAL AND BRANCH OFFICES

ATLANTIC REGION	Assistant General Manager:	1583 Hollis Street, Halifax
	H. R. Stoker	
Regional Office	Supervisor: K. A. Powers	1583 Hollis Street, Halifax
St. John's	Manager: G. J. Hiltz	85 Elizabeth Avenue
Halifax	Manager: J. G. Kenna	1583 Hollis Street
Saint John	Manager: R. L. McLean	75 Prince William Street
Moncton	Manager: G. W. Madore	236 St. George Street
QUEBEC REGION	Assistant General Manager:	901 Victoria Square, Montreal
	Lucien Viau	
Regional Office	Supervisor: J. E. Nordin	901 Victoria Square, Montreal
Rimouski	Manager: J. Y. Bernier	133 St. Germain Street
Quebec	Manager: G. L. Vézina	925 Chemin St. Louis
	Assistant Manager: R. L. Fiset	
Trois-Rivières	Manager: J. Y. Milette	550 Bonaventure Street
Montreal (North)	Manager: I. M. Wills	110 Cremazie Boulevard West, Montreal
	Assistant Manager: J. Clermont	
Montreal (South)	Manager: J. J. G. Bourbonnière	901 Victoria Square, Montreal
	Assistant Managers:	
	R. V. Crank, J. J. G. Lagacé	
Sherbrooke (Sub-Branch to Montreal (South))		31 King Street West
Ottawa	Manager: C. C. Pineau	350 King Edward Avenue
CENTRAL REGION	Assistant General Manager:	250 University Avenue, Toronto
	W. C. Stuart	
Regional Office	Supervisor: E. A. Bell	250 University Avenue, Toronto
	Assistant Supervisor: K. K. Hay-Roe	
Metropolitan Toronto	Manager: L. F. Smith	250 University Avenue, Toronto
	Assistant Managers:	
	J. A. Robson, L. E. Crowley	
Mid-Ontario	Manager: I. D. MacLaren	250 University Avenue, Toronto
	Assistant Manager: J. O. Skerry	



## OFFICERS (continued)

### CENTRAL REGION (continued)

Hamilton	Manager: R. K. Suutari Assistant Manager: E. A. Duddle	36 James Street South
Kitchener-Waterloo	Manager: J. B. S. Oldaker	Waterloo Square Building, Waterloo
London	Manager: R. T. Mactavish	291 Dundas Street
Windsor	Manager: J. G. Wilson	267 Pelissier Street
Sudbury	Manager: N. J. Weedmark	96 Larch Street
Lakehead	Manager: J. T. Horne	106 Centennial Square, Fort William

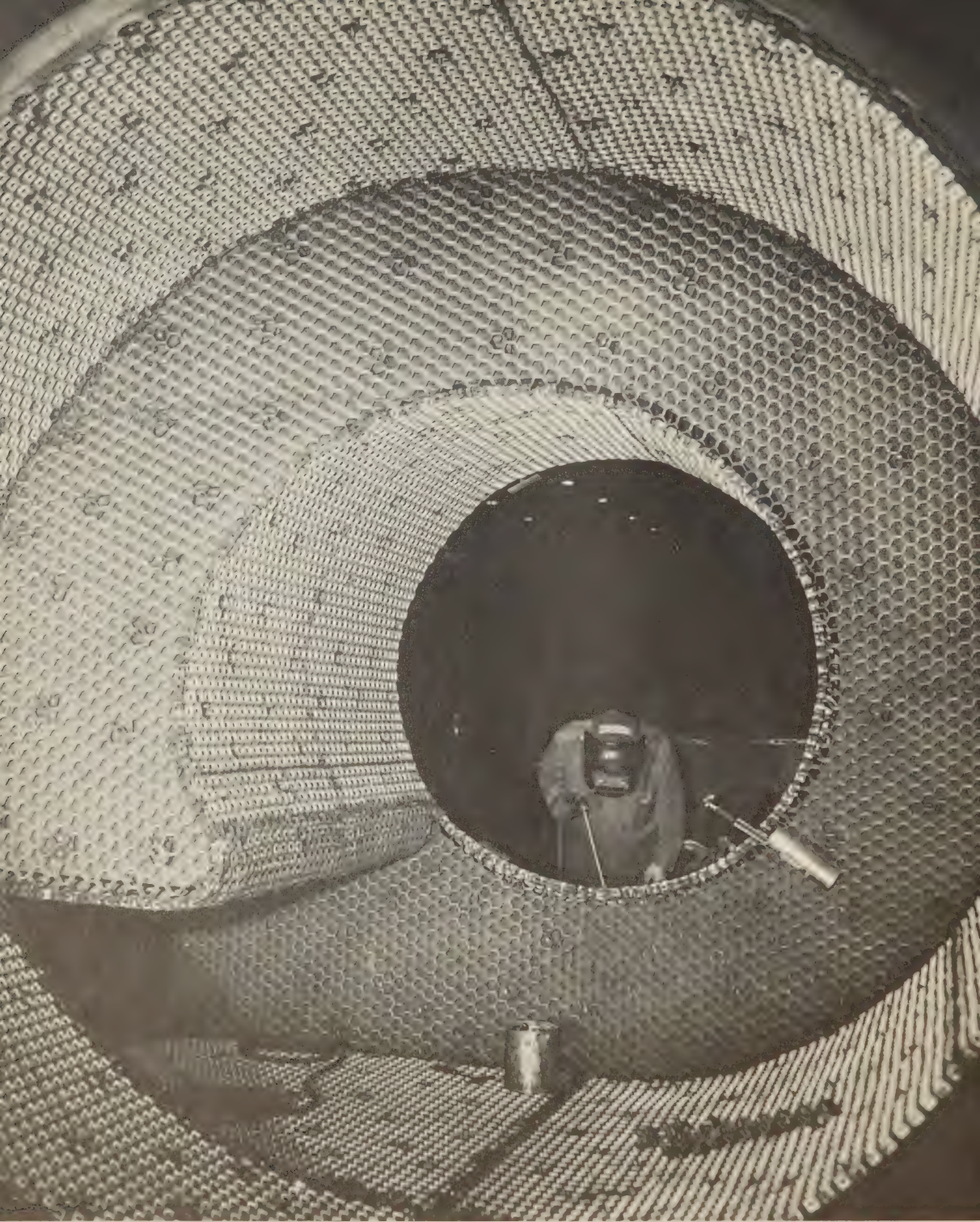
WESTERN REGION	Assistant General Manager: J. C. Ingram	287 Broadway, Winnipeg
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#### *Prairie Provinces and Northwest Territories*

Regional Office	Supervisor: R. H. Wheeler	287 Broadway, Winnipeg
Winnipeg	Manager: H. W. Baker Assistant Manager: M. D. Rudkin	360 Broadway
Regina	Manager: M. T. Collins	2220-12th Avenue
Saskatoon	Manager: H. D. Ramsey	406-21st Street, East
Calgary	Manager: F. G. Stewart Assistant Manager: D. B. Anderson	320 Seventh Avenue, S.W.
Edmonton	Manager: C. R. T. Bingley Assistant Manager: T. F. Ching	601 Chancery Hall

#### *British Columbia and Yukon Territory*

Regional Office	Supervisor: J. E. Millard Assistant Supervisor: O. H. Morgan	900 West Hastings Street, Vancouver
Kelowna	Manager: C. V. Spielman	22A The Mall, Shops Capri
Prince George	Manager: R. B. Thomas	1320 Fifth Avenue
Vancouver	Manager: W. H. Jay Assistant Manager: R. P. Dohan	900 West Hastings Street
Victoria	Manager: D. A. Kerley	702 Fort Street



*Welding spiral dust collector.*







CAI  
FN 130  
-R27

*Dis*

***idb* INDUSTRIAL  
DEVELOPMENT BANK**

**Report of the President and  
statement of accounts  
fiscal year**

**1966/1967**











Head Office

Ottawa

December 6th, 1967

The Hon. Mitchell Sharp, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1967, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. Rasminsky". The signature is fluid and cursive, with a large, stylized "L" and a long, sweeping tail.

President



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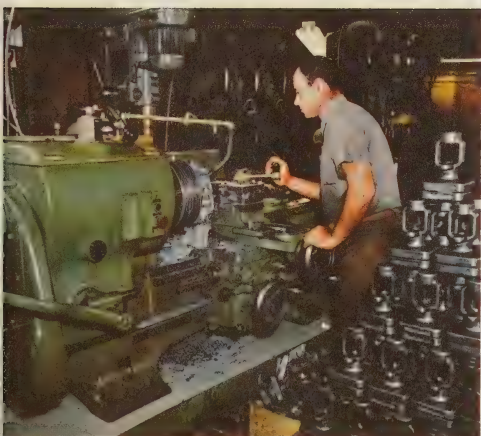
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*Women's wear boutique.*



*Manufacturing skis.*



*Machining industrial valves.*

*The photographs in this report illustrate the activities and facilities of some of the customers of the Industrial Development Bank who have obtained IDB financing to help start, modernize or expand their enterprises.*

*As the Bank extends financial assistance to almost every type of small and medium-size business in Canada, its customers are engaged in producing a wide variety of goods and providing services of many different kinds in all parts of the country.*

# Highlights

## Amount of loans at September 30, 1967:

(millions of dollars)

Outstanding . . . . .	\$332.4
Undisbursed . . . . .	55.1
	<hr/>
	\$387.5

## Number of customers at fiscal year-end:

Fiscal 1964 . . . . .	6,027
" 1965 . . . . .	6,961
" 1966 . . . . .	7,868
" 1967 . . . . .	8,593

## Number of loans approved in fiscal year:

Fiscal 1964 . . . . .	2,083
" 1965 . . . . .	2,209
" 1966 . . . . .	2,334
" 1967 . . . . .	2,168

## Amount of loans approved in fiscal year:

(millions of dollars)

Fiscal 1964 . . . . .	\$ 88.1
" 1965 . . . . .	96.1
" 1966 . . . . .	122.6
" 1967 . . . . .	113.1



## Annual report of the President — 1967

The Industrial Development Bank completed its twenty-third year of operations on September 30th, 1967. The Bank was created by Act of Parliament in 1944 to be a source of term financing for Canadian businesses which are unable to obtain funds from other sources on reasonable terms and conditions. In this role of supplementing the activities of other lenders in extending capital loans, the Bank gives particular consideration to the financing problems of smaller enterprises.

By the end of the last fiscal year, the Bank had authorized nearly 19,000 loans totalling over \$960 million to Canadian businesses. Of this number approximately 68% were authorized in the last six fiscal years. This reflects the increased lending activity of the Bank which followed the amendment to the Act in July 1961 enlarging the scope of IDB operations to include virtually every kind of business enterprise.

In the fiscal year ended September 30th, 1967, the Bank authorized 2,168 loans, totalling \$113.1 million, compared with 2,334 loans, totalling \$122.6 million, in fiscal 1966.

The average size of loan approved in fiscal 1967 was \$52,000, slightly lower than the previous year. Of the loans approved last year 45% were for amounts of \$25,000 or less, and 91% were for amounts of \$100,000 or less. The marked concentration of loans in amounts of \$100,000 or less, and the relatively small average size of loan, reflect the special attention given to financing proposals from small businesses. A detailed classification of loan approvals by size appears on pages 12 and 13.

At September 30th last, the Bank had some 8,600 customers on its books, with loans outstanding or in course of disbursement totalling over \$387 million. The distribution of these loans by provinces appears on page 15.

## Types of business

A detailed classification of loan approvals by type of business appears on pages 16 and 17. The condensed classification given below for the past three fiscal years indicates that the proportion of the total number and amount of loans made to borrowers in the principal areas of business activity has remained fairly constant from year to year.

	Fiscal 1965		Fiscal 1966		Fiscal 1967	
	No.	Amount	No.	Amount	No.	Amount
Manufacturing.....	36%	47%	36%	48%	32%	36%
Transportation and Storage....	6	7	4	5	5	12
Construction.....	6	5	6	5	6	4
Agriculture.....	9	7	8	5	8	6
Wholesale and Retail Trade....	23	16	23	18	23	19
Tourist Industry.....	11	9	12	10	13	11
Other.....	9	9	11	9	13	12
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

## Customers' programmes

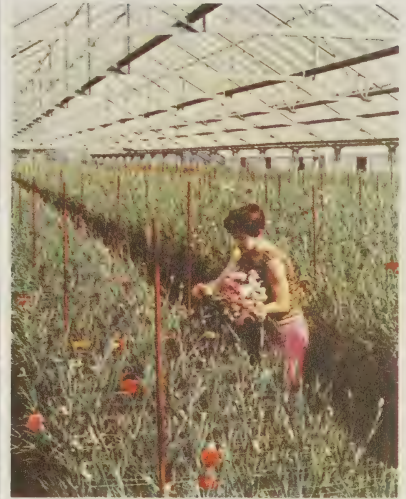
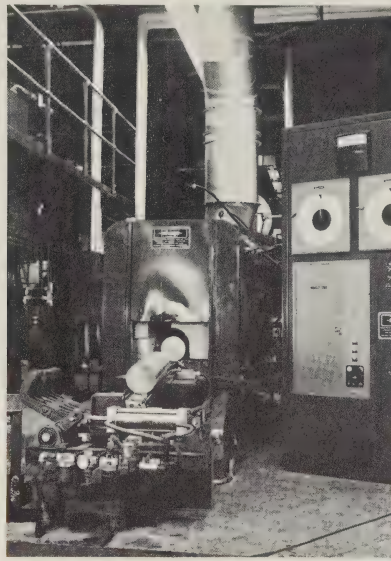
In fiscal 1967, IDB loans amounting to \$113 million assisted in financing programmes totalling \$167 million undertaken by customers. As in previous years, these programmes had as their principal purpose the acquisition of fixed assets of all kinds. A comparison for the past three fiscal years of the purposes to which these programmes were directed is shown below:

	Fiscal 1965	Fiscal 1966	Fiscal 1967
Land and buildings.....	39%	46%	47%
Machinery and equipment.....	32	31	32
Increase in working capital.....	13	10	9
Refinancing of mortgages, liens, etc.....	9	7	8
Changes of ownership.....	5	4	3
All other programmes.....	2	2	1
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The IDB's share in the total financing involved in these programmes was somewhat less than in recent years:

	Fiscal 1965	Fiscal 1966	Fiscal 1967
IDB.....	76%	70%	68%
Other sources.....	24	30	32
	<u>100%</u>	<u>100%</u>	<u>100%</u>

*Manufacturing aluminum extrusions.*



*Growing carnations in a greenhouse.*

*Making men's trousers.*



*Automobile service centre.*



*Finishing seal skin boots.*



## Organization

Toward the close of the 1966 fiscal year, a major administrative decentralization of the Bank was undertaken with a view to providing better service to the public and enabling the Bank to maintain closer contact with regional developments. As a result in part of this reorganization, the decision with regard to 90% of the number of loans approved last year was taken at local branches or regional offices; the comparable figure in the preceding year was 80%. The reorganization has also produced significant benefits in respect of internal procedures and in service to customers.

The number of branches, 28 in all, remains unchanged from the previous fiscal year-end. The branches are listed, together with the regional offices, on pages 26 and 27.

During the year the IDB has continued to place great emphasis on ensuring that its facilities are known and readily available to businessmen in all parts of Canada, including centres of relatively small size and those located in more remote areas such as the far North. In such areas pronounced difficulties are frequently encountered in obtaining suitable term financing, even though the applicant business may be creditworthy and the loan purpose sound.

Officers from IDB branches carry out periodic visits, advertised in advance, to centres in the general area served by the branch. In fiscal 1967, 696 visits were made to 283 localities. In the past three years there has been a more than threefold increase in the number of such visits undertaken by branch offices. They are publicized in advance in local newspapers and other media and have been found not only to result in a substantial number of specific enquiries regarding possible financial assistance to local businesses, but also to constitute an effective way of making the Bank's services better known to the local business community in general. In addition to these visits and the Bank's regular advertising in newspapers and trade and professional journals, representatives of the Bank take advantage of opportunities to address gatherings of professional and business men to describe the activities of the Bank. In fiscal 1967, IDB officers made addresses or appeared in panel discussions on some 72 occasions.

## Financial statements

The statements of income and expense and the year-end balance sheets for the fiscal years 1966 and 1967 appear on pages 18, 20 and 21.

Loan disbursements in fiscal 1967 totalled \$96.3 million compared with \$98 million in the previous year. Repayments amounted to \$60.5 million, up \$5.7 million over fiscal 1966. Debentures were sold in the amount of \$29.7 million and \$3 million was raised from the issue of share capital.

In accordance with the Industrial Development Bank Act, the additional share capital was subscribed by the Bank of Canada which also purchased all debentures issued during the year.

Income at \$23.4 million was 18.6% higher than in the previous year, the cost

*Ocean bulk cargo terminal.*





of debentures rose by 21% and operating expenses increased by 10%. Net income before provision for losses was \$2.5 million compared with \$1.9 million in fiscal 1966. The prevailing general level of interest rates is reflected in the increased cost of debentures and in the IDB's minimum lending rate which was raised to 7½% in fiscal 1966, with higher interest rates being applied to larger loans.

Income and expense are shown below for the past five years calculated as percentages of loans and investments outstanding during the year in question:

	Fiscal 1963	Fiscal 1964	Fiscal 1965	Fiscal 1966	Fiscal 1967
Income.....	6.79%	6.95%	7.07%	7.18%	7.40%
Operating costs.....	2.50	2.33	2.19	2.32	2.22
Cost of debentures.....	3.53	3.74	3.95	4.16	4.38
Net income before provision for losses..	.76	.88	.93	.70	.80

A statement of income and expense for fiscal 1967 together with comparative figures for previous years is given in the summary of operations on pages 28 and 29.

Bad debts totalling \$670,687 were written off out of the Reserve for Losses during the year, while \$30,059 previously written off was recovered. The sum of \$1,890,628 was appropriated from income to the Reserve for Losses, which stood at \$7,500,000 at the year end, representing 1.93% of the \$388.6 million of loans and investments outstanding or committed.

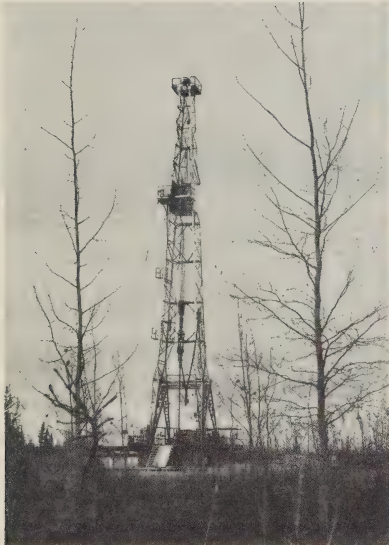
As the IDB Act provides, the net income for 1967 of \$634,675 remaining after provision for bad and doubtful debts was added to the Reserve Fund, raising it to \$19,592,251.

## Staff

During the year, the General Manager was granted temporary leave of absence to head a mission sponsored by the United Nations Development Programme to study the possibility of establishing a regional financial institution to assist in the economic development of the Caribbean area. This is the second occasion on which the services of the General Manager have been made available to prepare studies of this nature for the benefit of other countries. The IDB has also continued to co-operate in assisting the development of similar institutions elsewhere, particularly in a number of the newly industrializing countries, by receiving trainees and observers from sister organizations in more than twenty countries.

The growth of business required some additions to the staff which numbered 619 at the end of the fiscal year compared with 606 at the previous fiscal year-end.

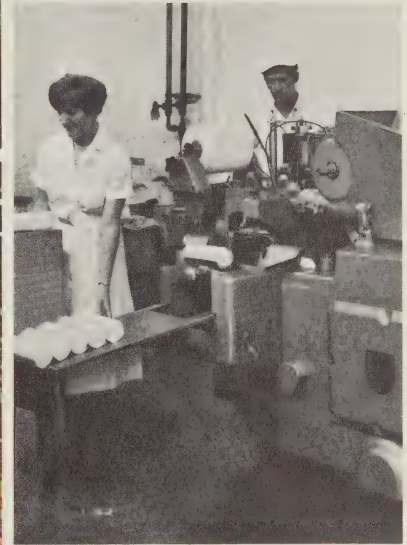
I wish to record once again my appreciation of the high standard of performance maintained by the staff of the Bank. The ability of the Bank to carry out effectively the functions and responsibilities assigned to it by Parliament rests, to a large degree, on the calibre and experience of its staff and the diligence and judgment they exercise in carrying out their duties.



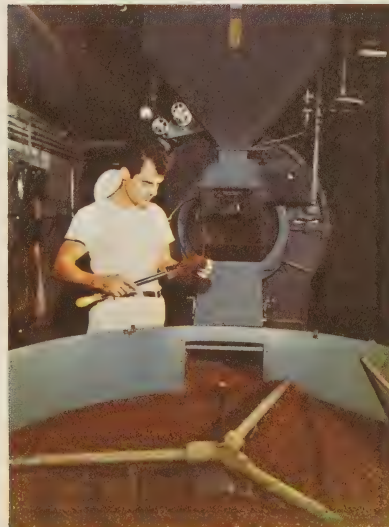
*Drilling for oil.*



*Modern restaurant.*



*Packing rolls of butter.*



*Cutting cloth for women's sportswear.*

*Roasting coffee.*



# 

## **Loan approvals** During fiscal years ending September 30

### **CLASSIFICATION BY NEW OR EXISTING BORROWERS:**

	NUMBER			
	1962	1963	1964	1965
To New Borrowers.....	1,730	1,532	1,514	1,602
To Existing Borrowers.....	355	454	569	607
Total.....	<u>2,085</u>	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>

### **CLASSIFICATION BY SIZE:**

\$ 5,000 or less.....	72	100	86	76
Over 5,000 to 25,000.....	985	993	1,054	1,072
Over 25,000 to 50,000.....	526	476	519	565
Over 50,000 to 100,000.....	340	303	289	378
Over 100,000 to 200,000.....	121	84	96	81
Total up to \$200,000.....	<u>2,044</u>	<u>1,956</u>	<u>2,044</u>	<u>2,172</u>
Over \$200,000.....	41	30	39	37
Total.....	<u>2,085</u>	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>
Average Size.....				

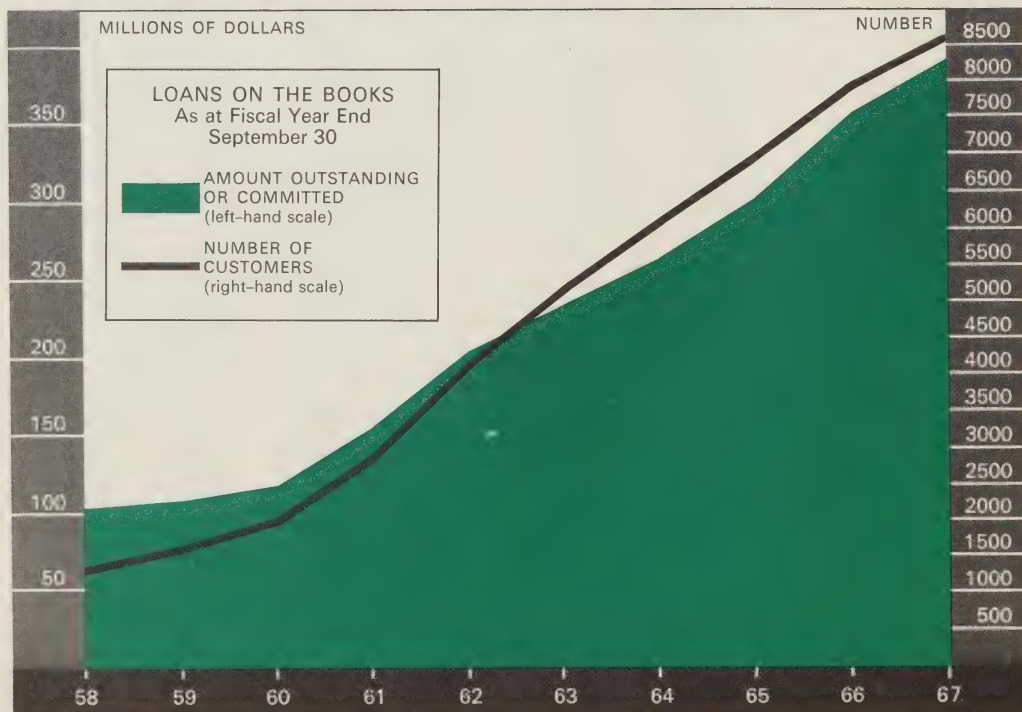
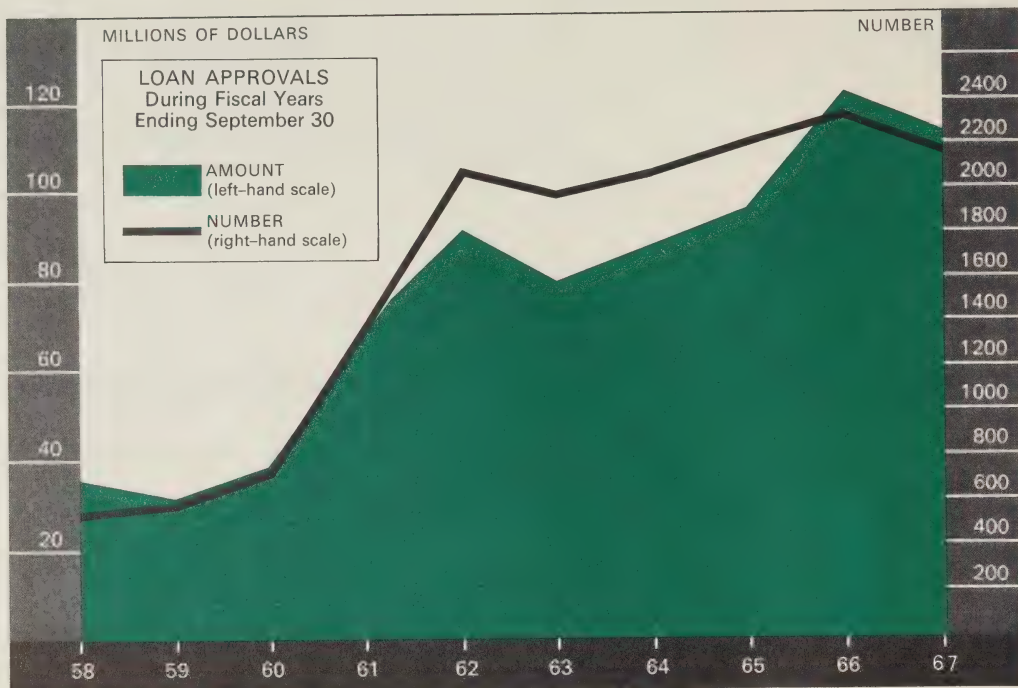
### **CLASSIFICATION BY PROVINCE:**

Newfoundland.....	60	52	60	46
Prince Edward Island.....	16	12	4	7
Nova Scotia.....	61	47	62	51
New Brunswick.....	89	70	52	62
Quebec.....	423	396	440	485
Ontario.....	810	675	674	684
Manitoba.....	142	158	152	165
Saskatchewan.....	86	79	122	153
Alberta.....	217	306	282	256
British Columbia.....	170	181	230	293
Yukon.....	6	3	2	4
N.W. Territories.....	5	7	3	3
Total.....	<u>2,085</u>	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>

		AMOUNT (\$000)					
1966	1967	1962	1963	1964	1965	1966	1967
1,642	1,560	75,922	61,020	62,964	69,936	90,968	80,480
692	608	16,059	18,791	25,184	26,210	31,679	32,652
2,334	2,168	91,981	79,811	88,148	96,146	122,647	113,132

70	56	304	431	363	306	287	237
988	928	15,278	15,113	16,503	17,011	15,572	15,337
609	580	20,414	18,324	19,778	21,782	23,422	22,065
449	407	25,289	22,737	21,571	28,214	33,210	29,478
159	145	17,797	12,249	13,666	11,948	23,783	20,856
2,275	2,116	79,082	68,854	71,881	79,261	96,274	87,973
59	52	12,899	10,957	16,267	16,885	26,373	25,159
2,334	2,168	91,981	79,811	88,148	96,146	122,647	113,132
		44	40	42	44	53	52

45	31	1,628	1,531	1,982	1,588	1,508	1,092
10	8	403	305	61	278	373	515
56	45	2,840	1,881	2,122	2,356	2,375	1,516
59	60	2,491	2,276	1,747	1,794	2,719	3,084
450	404	24,340	22,535	24,994	25,479	31,935	20,780
752	824	33,686	27,887	28,112	30,123	42,646	39,006
144	83	6,377	5,525	5,784	5,855	6,329	3,873
150	111	2,938	2,404	3,801	4,742	6,447	4,962
300	257	8,041	8,388	8,786	8,980	10,908	17,013
358	330	8,645	6,727	10,569	14,692	16,907	19,914
2	7	212	37	120	184	136	896
8	8	380	315	70	75	364	481
2,334	2,168	91,981	79,811	88,148	96,146	122,647	113,132



## Provincial distribution of loans

	Accounts on Books at September 30, 1967		Total Authorizations November 1, 1944 to September 30, 1967	
	Number of Businesses	Amounts Outstanding or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland.....	193	6,088	276	12,348
Prince Edward Island.....	30	974	65	7,906
Nova Scotia.....	203	8,240	371	22,055
New Brunswick.....	264	9,699	482	25,218
Quebec.....	1,736	99,864	2,873	258,849
Ontario.....	2,919	128,736	4,763	313,896
Manitoba.....	581	19,939	942	53,780
Saskatchewan.....	499	16,742	722	38,059
Alberta.....	1,052	40,537	1,664	89,628
British Columbia.....	1,077	54,363	1,866	135,680
Yukon.....	18	1,316	29	1,964
N.W. Territories.....	21	968	34	2,849
Total.....	8,593	387,466	14,087	962,232

## Summary statistics of loans

*For fiscal years ending September 30*

<i>(Millions of dollars)</i>	1962	1963	1964	1965	1966	1967
Amounts Drawn Down by Borrowers.....	74.3	74.0	69.6	80.8	98.0	96.3
Repayments by Borrowers.....	32.6	38.2	46.0	49.8	54.8	60.5
Amounts Written Off (net)						
Principal.....	.2	.1	.2	.4	.3	.6
Interest.....	..	..	..	(.2)	(.1)	(.1)
Increase in Amounts Outstanding.....	41.5	35.7	23.4	30.6	42.9	35.2
Amounts Outstanding at Year-End.....	164.6	200.3	223.7	254.3	297.2	332.4
Amounts Not Yet Disbursed at Year-End on Loans Authorized.....	39.0	31.7	39.7	42.6	52.5	55.1
Amounts Outstanding Plus Undisbursed at Year-End.....	203.6	232.1	263.4	296.9	349.7	387.5
Number of Customers on the Books at Year-End.....	4,083	5,104	6,027	6,961	7,868	8,593
Average Amount Outstanding Plus Undisbursed per Customer (Thousands of Dollars).....	50	45	44	43	44	45



## Classification of loan approvals by type of business

	NUMBER			
	1962	1963	1964	1965
Manufacturing:				
Foods and Beverages.....	163	159	149	151
Tobacco and Tobacco Products.....	1	..	..	1
Rubber Products.....	..	6	5	4
Leather Products.....	6	6	14	18
Textile Products (except Clothing).....	27	26	19	25
Clothing (Textiles and Fur).....	53	45	38	49
Wood Products.....	130	112	115	119
Paper Products (including Pulp).....	11	18	15	13
Printing and Allied Industries.....	64	46	47	56
Iron and Steel Products (including Machinery and Equipment).....	164	165	183	193
Transportation Equipment.....	16	25	24	20
Non-Ferrous Metal Products.....	3	7	2	8
Electrical Apparatus and Supplies.....	25	13	16	19
Non-Metallic Mineral Products.....	66	54	47	48
Products of Petroleum and Coal.....	3	..	3	2
Chemical Products.....	27	26	9	22
Miscellaneous Manufacturing Industries.....	46	57	47	53
Commercial Air Services.....	20	12	15	23
Warehousing (including Refrigeration).....	12	12	9	9
Other Transportation and Storage.....	88	91	67	93
Electric Power, Gas, Water Utilities.....	2	2	4	3
Mines (incl. Milling), Quarries, Oil Wells.....	29	16	17	25
Construction.....	159	123	117	132
Industrial Buildings.....	38	35	37	36
Personal Services.....	14	24	11	7
Forestry.....	9	6	7	4
Wholesale Trade.....	153	120	151	196
Retail Trade.....	239	225	291	319
Education and Health Services.....	18	10	7	9
Recreation Services.....	32	33	44	29
Services to Business Management.....	24	21	13	16
Miscellaneous Services.....	34	39	43	43
Agriculture.....	106	175	201	205
Fishing and Trapping.....	1	6	5	6
Communications.....	14	7	16	9
Laundries, Cleaners and Pressers.....	52	45	52	39
Restaurants and Other Eating Places.....	59	64	82	76
Hotels, Motels and Other Lodgings.....	145	127	145	104
Theatres, Bowling Alleys, Billiard Halls.....	32	28	16	25
(Enterprises engaged in more than one type of business are classified according to major activity.)	2,085	1,986	2,083	2,209

During fiscal years ending September 30

AMOUNT (\$000)

1966	1967	1962	1963	1964	1965	1966	1967
153	124	6,849	7,400	8,974	8,655	10,787	7,366
1	..	...	...	...	74	50	...
13	5	25	162	233	192	971	252
17	13	463	372	434	644	793	577
22	24	2,323	1,695	1,610	4,457	2,176	1,777
35	35	2,934	1,446	1,919	2,102	2,158	2,727
147	102	7,542	6,281	5,954	6,321	11,653	7,078
14	22	407	1,430	758	1,454	1,837	1,516
70	48	2,058	2,082	2,290	1,788	3,888	2,636
207	170	6,701	7,992	12,434	9,694	14,095	9,282
21	22	648	847	737	844	1,063	1,215
7	7	93	296	407	318	800	841
15	17	1,860	566	1,240	1,200	918	1,687
43	34	3,097	2,248	2,625	3,332	3,788	1,361
2	2	152	...	169	60	155	152
18	19	1,059	1,522	277	804	677	745
57	48	1,569	2,326	2,035	2,894	2,775	1,954
16	25	1,497	384	993	845	1,903	6,040
8	10	745	1,274	439	521	472	916
76	63	4,579	4,690	4,078	5,506	3,733	6,255
3	7	80	63	79	70	43	154
25	18	1,668	550	1,053	1,102	1,986	1,129
144	130	6,649	3,877	4,004	4,566	5,826	5,002
59	76	1,695	1,492	1,394	1,818	2,786	4,328
15	23	339	486	516	362	446	706
8	16	612	77	147	176	336	661
197	160	5,908	4,431	5,509	6,816	9,498	8,174
338	344	6,868	6,134	7,744	8,989	12,202	13,555
14	20	463	181	100	696	984	1,189
34	31	2,134	1,668	1,929	1,031	1,639	1,504
24	30	621	631	307	498	881	686
43	45	1,156	913	1,061	1,164	1,480	2,104
185	169	4,127	4,809	5,892	7,118	6,876	6,121
3	7	8	455	166	350	65	143
18	17	820	376	515	468	890	1,075
41	32	1,932	1,220	1,564	1,374	1,223	1,059
95	91	2,110	1,890	2,627	2,093	3,506	3,304
130	147	8,470	6,460	5,307	4,810	6,728	7,019
16	15	1,720	1,085	628	940	560	842
2,334	2,168	91,981	79,811	88,148	96,146	122,647	113,132

## Income and Expense

Year ended September 30, 1967  
(with comparative figures for 1966)

	(\$000)	(\$000)
	1967	1966
<b>INCOME</b>		
Interest.....	\$22,849	\$19,285
Profit on sale of investments.....	74	3
Sundry.....	523	487
	<u>\$23,446</u>	<u>\$19,775</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> .....	\$ 4,758	\$ 4,187
Pension fund, unemployment insurance and group insurance..	452	540
Other staff expenses <sup>(2)</sup> .....	90	67
Investigation and supervision expenses.....	99	96
Travel and transfer expenses.....	243	235
Rental and other costs — leased premises.....	643	552
Depreciation on equipment.....	88	80
Advertising.....	99	96
Other public information <sup>(3)</sup> .....	76	70
Telephone and telegrams.....	156	148
Office supplies and expenses.....	224	216
Directors' fees.....	11	13
Auditors' fees and expenses.....	18	18
All other operating expenses.....	89	72
Total operating expenses.....	<u>\$ 7,046</u>	<u>\$ 6,390</u>
Interest on debentures (including amortization of discount and premium).....	13,875	11,457
Provision for losses.....	1,891	1,393
	<u>\$22,812</u>	<u>\$19,240</u>
Net income transferred to reserve fund.....	<u>\$ 634</u>	<u>\$ 535</u>

(1) The number of staff averaged 624 in 1967 and 590 in 1966.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

# Reserves

## STATEMENT OF RESERVE FUND

Year ended September 30, 1967 (with comparative figures for 1966)	(\$000)	(\$000)
	1967	1966
Balance, beginning of year . . . . .	\$18,958	\$18,423
Net income for the year . . . . .	634	535
Balance, end of year . . . . .	<u>\$19,592</u>	<u>\$18,958</u>

## STATEMENT OF RESERVE FOR LOSSES

Year ended September 30, 1967		(\$000)
Balance, beginning of year . . . . .		\$ 6,250
<i>Add:</i>		
Recovery of amounts previously written off . . . . .	\$ 30	
Provision for bad and doubtful debts for the year ended September 30, 1967 . . . . .	<u>1,891</u>	<u>1,921</u>
		\$ 8,171
<i>Less:</i>		
Bad debts written off . . . . .		<u>671</u>
Balance, end of year . . . . .		<u>\$ 7,500</u>





## Statement of Assets and Liabilities as at September

ASSETS	1967	1966
Cash . . . . .	\$ 43,179	\$ 33,816
Government of Canada Treasury Bills . . . . .	1,099,295	—
Loans and investments . . . . .	333,541,194	298,107,126
Accrued interest . . . . .	1,702,400	1,473,227
Property held for sale (including agreements for sale) . . . . .	1,279,072	868,745
Liability of others on guarantees and underwriting agreements (as per contra) . . . . .	13,975	30,475
Debenture discount and premium less amortization . . . . .	2,304,334	3,988,149
Other assets . . . . .	821,554	611,672
	<u>\$340,805,003</u>	<u>\$305,113,210</u>

NOTE: Amounts not disbursed at September 30, 1967, on loans and investments authorized, \$55,036,868 (1966, \$52,448,394).

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT

## 30, 1967 (with comparative figures for 1966)

LIABILITIES	1967	1966
Debentures outstanding.....	\$262,500,000	\$232,800,000
Accrued interest on debentures.....	6,728,178	5,663,500
Liabilities under guarantees and underwriting agreements...	13,975	30,475
Other liabilities.....	470,599	411,659
Reserve for losses.....	7,500,000	6,250,000
Capital:		
Capital stock — authorized 500,000 shares par value \$100 each; issued and outstanding — 1967, 440,000 shares — 1966, 410,000 shares.....	44,000,000	41,000,000
Reserve fund.....	19,592,251	18,957,576
	63,592,251	59,957,576
	<u>\$340,805,003</u>	<u>\$305,113,210</u>

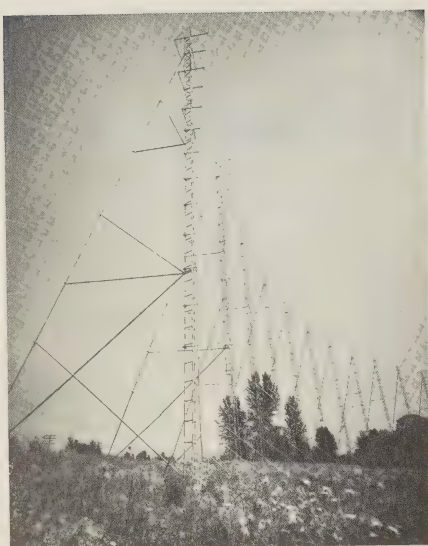
### AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinion the above statement of assets and liabilities presents fairly the financial position of the Bank as at September 30, 1967.

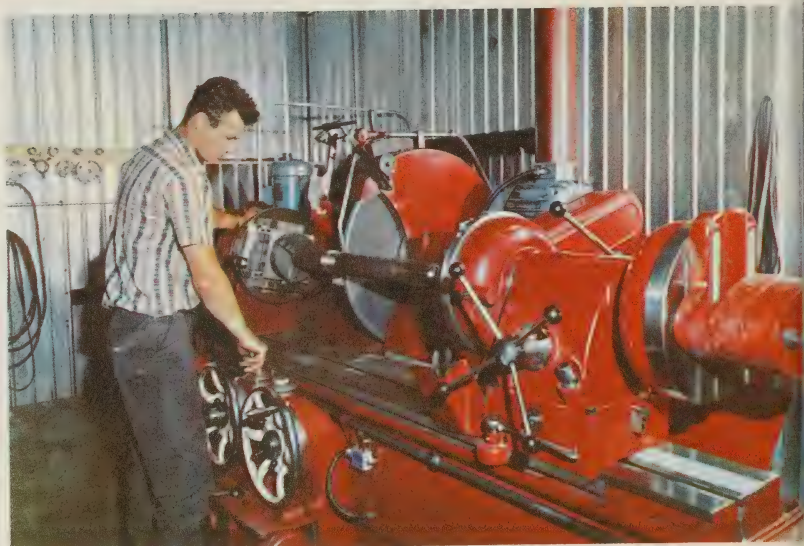
J. RENÉ DE COTRET, C.A.  
of René de Cotret & Cie

T. A. M. HUTCHISON, F.C.A.  
of Peat, Marwick, Mitchell & Co.

Ottawa, November 3, 1967



*Parabolic antenna for cable TV system.*



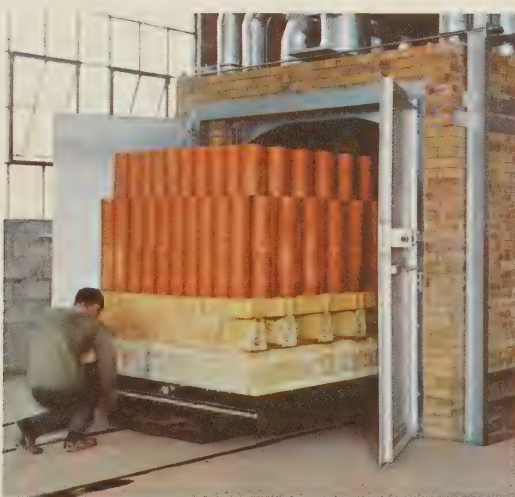
*Grinding metal shaft.*



*Turkey farm.*



*Assembling cab for heavy construction equipment.*



*Automated tunnel kiln for firing clay drain tile.*



## Board of Directors

---

*L. Rasminsky, C.B.E.	Ottawa, Ont.
*J. R. Beattie	Ottawa, Ont.
*A. I. Barrow, C.A., R.I.A.	Halifax, N.S.
*R. B. Bryce	Ottawa, Ont.
A. J. E. Child	Calgary, Alta.
S. E. Green	Charlottetown, P.E.I.
S. Kanee	Winnipeg, Man.
P. H. Lavoie	Montreal, Que.
A. J. MacIntosh, Q.C.	Toronto, Ont.
*W. A. Mackintosh	Kingston, Ont.
L. Patrick, C.B.E.	Calgary, Alta.
F. J. Ryan, Q.C.	St. John's, Nfld.
W. F. Ryan, Q.C.	Fredericton, N.B.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.
*J. H. Warren	Ottawa, Ont.

*\* Member of the Executive Committee*

# Officers

President . . . . . L. Rasminsky, C.B.E.

General Manager . . . . . A. N. H. James . . . . . Montreal  
 Deputy General Manager . . . . . E. R. Clark . . . . . Montreal  
 Assistant General Manager . . . . . C. E. DeAthe . . . . . Montreal  
 Assistant General Manager . . . . . H. J. C. Russell . . . . . Montreal  
 Assistant General Manager, Atlantic Region . . . . . H. R. Stoker . . . . . Halifax  
 Assistant General Manager, Quebec Region . . . . . Lucien Viau . . . . . Montreal  
 Assistant General Manager, Central Region . . . . . W. C. Stuart . . . . . Toronto  
 Assistant General Manager, Western Region . . . . . J. C. Ingram . . . . . Winnipeg

Secretary . . . . . L. F. Mundy . . . . . Ottawa  
 Deputy Secretary . . . . . P. D. Smith . . . . . Ottawa  
 Deputy Secretary . . . . . G. Hamilton . . . . . Ottawa  
 Chief Accountant . . . . . A. J. Norton . . . . . Ottawa  
 Internal Auditor . . . . . E. Metcalfe . . . . . Ottawa

Superintendent of Credits . . . . . G. R. Elliott . . . . . Montreal  
 Administrative Assistant . . . . . P. F. Limoges . . . . . Montreal  
 Special Assistant . . . . . R. Turta . . . . . Montreal  
 Controller . . . . . H. Duncan . . . . . Montreal  
 Assistant Controller . . . . . C. B. Ready . . . . . Montreal  
 Assistant Controller . . . . . R. G. Forsythe . . . . . Montreal  
 General Solicitor . . . . . H. M. Scott . . . . . Montreal  
 Associate General Solicitor . . . . . G. Bousquet, Q.C. . . . . Montreal  
 Chief, Insurance Department . . . . . W. L. Mundy . . . . . Montreal  
 Engineering Adviser . . . . . B. Heron . . . . . Montreal  
 Deputy Secretary . . . . . C. I. Stuart . . . . . Montreal  
 Deputy Secretary . . . . . G. R. d'Artois . . . . . Montreal  
 Personnel Officer . . . . . E. C. Scott . . . . . Montreal  
 Assistant Personnel Officer . . . . . J. A. McKee . . . . . Montreal  
 Information Officer . . . . . J. W. Sivers . . . . . Montreal

## Officers (continued)

### REGIONAL AND BRANCH OFFICES

<b>ATLANTIC REGION</b>		
	Assistant General Manager:	1583 Hollis Street, Halifax
	H. R. Stoker	
Regional Office	Supervisor: K. A. Powers	1583 Hollis Street, Halifax
St. John's	Manager: G. J. Hiltz	85 Elizabeth Avenue
Halifax	Manager: J. G. Kenna	1583 Hollis Street
Saint John	Manager: R. L. McLean	75 Prince William Street
Moncton	Manager: P. H. Johnson	236 St. George Street
<b>QUEBEC REGION</b>		
	Assistant General Manager:	901 Victoria Square, Montreal
	Lucien Viau	
Regional Office	Supervisor: J. E. Nordin	901 Victoria Square, Montreal
Rimouski	Manager: J. Y. Bernier	133 St. Germain Street
Quebec	Manager: G. L. Vézina	925 Chemin St. Louis
	Assistant Manager: R. L. Fiset	
Trois-Rivières	Manager: J. Y. Milette	550 Bonaventure Street
Montreal (North)	Manager: I. M. Wills	110 Cremazie Boulevard West, Montreal
	Assistant Manager: J. Clermont	
Montreal (South)	Manager: J. J. G. Bourbonnière	901 Victoria Square, Montreal
	Assistant Managers:	
	R. V. Crank, J. Lagacé	
Sherbrooke (Sub-Branch to Montreal (South))		31 King Street West
Ottawa	Manager: G. W. Madore	350 King Edward Avenue
	Assistant Manager: J. A. Sutherland	
<b>CENTRAL REGION</b>		
	Assistant General Manager:	250 University Avenue, Toronto
	W. C. Stuart	
Regional Office	Supervisor: E. A. Bell	250 University Avenue, Toronto
	Assistant Supervisor: K. K. Hay-Roe	
Metropolitan Toronto	Manager: L. F. Smith	250 University Avenue, Toronto
	Assistant Managers:	
	J. A. Robson, L. E. Crowley	

## Officers (continued)

### CENTRAL REGION (continued)

Mid-Ontario	Manager: I. D. MacLaren Assistant Manager: J. O. Skerry	250 University Avenue, Toronto
Hamilton	Manager: R. T. Mactavish Assistant Manager: E. A. Duddle	20 Hughson Street, South
Kitchener-Waterloo	Manager: J. B. S. Oldaker	Waterloo Square Building, Waterloo
London	Manager: C. V. Spielman	291 Dundas Street
Windsor	Manager: J. G. Wilson	267 Pelissier Street
Sudbury	Manager: N. J. Weedmark	96 Larch Street
Lakehead	Manager: J. T. Horne	106 Centennial Square, Fort William

WESTERN REGION	Assistant General Manager: J. C. Ingram	287 Broadway, Winnipeg
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### *Prairie Provinces and Northwest Territories*

Regional Office	Supervisor: R. H. Wheeler	287 Broadway, Winnipeg
Winnipeg	Manager: H. W. Baker Assistant Manager: D. S. Brown	360 Broadway
Regina	Manager: M. T. Collins	2220-12th Avenue
Saskatoon	Manager: H. D. Ramsey	406-21st Street, East
Calgary	Manager: F. G. Stewart Assistant Manager: D. B. Anderson	320 Seventh Avenue, S.W.
Edmonton	Manager: C. R. T. Bingley Assistant Manager: T. F. Ching	601 Chancery Hall

### *British Columbia and Yukon Territory*

Regional Office	Supervisor: J. E. Millard Assistant Supervisor: O. H. Morgan	900 West Hastings Street, Vancouver
Kelowna	Manager: M. D. Rudkin	22A The Mall, Shops Capri
Prince George	Manager: R. B. Thomas	1320 Fifth Avenue
Vancouver	Manager: W. H. Jay Assistant Manager: R. P. Dohan	900 West Hastings Street
Victoria	Manager: D. A. Kerley	702 Fort Street



# Summary of operations 1944 - 1967 (Thousands of dollars)

Fiscal years ending September 30th	November 1944 to 1959	1960	1961
<b>LOANS AND INVESTMENTS</b>			
Authorized during period.....	261,918	38,676	71,636
Less: Cancellations and reductions.....	41,273	4,381	9,649
Net authorizations.....	220,645	34,295	61,987
Disbursements.....	208,221	29,748	47,504
Less: Repayments and write-offs.....	111,349	23,548	27,315
Increase in amounts outstanding.....	96,872	6,200	20,189
<b>INCOME AND EXPENSE</b>			
Income from loans and investments.....	28,190	6,302	7,135
Other income.....	3,276	162	289
Total income.....	31,466	6,464	7,424
Operating expenses			
Salaries and other staff expenses.....	7,741	1,442	2,007
Other.....	2,318	551	772
Total operating expenses.....	10,059	1,993	2,779
Cost of debentures.....	5,714	2,474	3,008
Net income before provision for losses.....	15,693	1,997	1,637
of which:			
Appropriated to reserve for losses.....	2,885	488	444
Transferred to reserve fund.....	12,808	1,509	1,193
<b>WRITE-OFFS</b>			
Bad debts written-off, net.....	1,286	(412)*	244
*Includes transfer of \$315,000 interest previously unapplied and held in suspense.			
<b>YEAR-END BALANCE SHEET</b>			
Loans and investments outstanding.....		103,072	123,261
All other assets.....		3,773	1,751
Total assets.....		106,845	125,012
Capital, issued and paid up.....		25,000	26,000
Reserve fund.....		14,317	15,510
Reserve for losses.....		2,500	2,700
Debentures outstanding.....		63,600	78,900
All other liabilities.....		1,428	1,902
Total liabilities.....		106,845	125,012

1962	1963	1964	1965	1966	1967	Cumulative Total
92,006	79,961	88,501	96,246	122,664	113,442	965,050
9,761	13,317	10,627	12,418	14,771	14,223	130,420
82,245	66,644	77,874	83,828	107,893	99,219	834,630
74,463	74,208	69,534	81,141	98,143	96,631	779,593
32,799	38,241	46,198	50,224	55,181	61,197	446,052
41,664	35,967	23,336	30,917	42,962	35,434	333,541
9,384	12,251	14,246	16,638	19,293	22,863	136,302
308	378	414	469	482	583	6,361
9,692	12,629	14,660	17,107	19,775	23,446	142,663
3,008	3,410	3,578	3,884	4,794	5,300	35,164
1,133	1,241	1,328	1,411	1,596	1,746	12,096
4,141	4,651	4,906	5,295	6,390	7,046	47,260
4,486	6,556	7,891	9,549	11,457	13,875	65,010
1,065	1,422	1,863	2,263	1,928	2,525	30,393
650	729	998	1,323	1,393	1,891	10,801
415	693	865	940	535	634	19,592
250	129	198	573	393	641	3,302
164,925	200,892	224,228	255,145	298,107	333,541	
2,210	3,678	5,183	6,886	7,006	7,264	
167,135	204,570	229,411	262,031	305,113	340,805	
30,000	33,000	35,000	38,000	41,000	44,000	
15,925	16,618	17,483	18,423	18,958	19,592	
3,100	3,700	4,500	5,250	6,250	7,500	
115,300	147,600	168,100	195,400	232,800	262,500	
2,810	3,652	4,328	4,958	6,105	7,213	
167,135	204,570	229,411	262,031	305,113	340,805	



*Modern testing laboratory.*



*Coastal marina.*

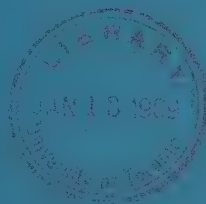






# ANNUAL REPORT OF THE PRESIDENT AND STATEMENT OF ACCOUNTS FISCAL YEAR 1968

CAI  
FN130  
-R27



CANADA

***idb*** **INDUSTRIAL  
DEVELOPMENT BANK**









Head Office

Ottawa

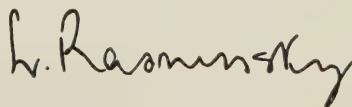
The Hon. E. J. Benson, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

December 9th, 1968

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1968, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. Rasmussen". The signature is fluid and cursive, with a large initial "L" and a stylized "R".

President

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*In all parts of Canada there are customers of the Industrial Development Bank who have been assisted by IDB in starting or developing businesses of practically every type. The activities and facilities of a few of these enterprises are shown in the photographs in this report.*

1 *Modern motel.*

2 *Fabricating patio furniture.*

3 *Holstein cattle farm.*



1



2



3



# Highlights

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**Amount of loans at September 30, 1968:**  
(millions of dollars)

Outstanding.....	\$368.4
Undisbursed.....	57.7
	<hr/>
	\$426.1

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**Number of customers at fiscal year-end:**

Fiscal 1965.....	6,961
“ 1966.....	7,868
“ 1967.....	8,593
“ 1968.....	9,509

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**Number of loans approved in fiscal year:**

Fiscal 1965.....	2,209
“ 1966.....	2,334
“ 1967.....	2,168
“ 1968.....	2,515

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**Amount of loans approved in fiscal year:**  
(millions of dollars)

Fiscal 1965.....	\$ 96.1
“ 1966.....	122.6
“ 1967.....	113.1
“ 1968.....	120.2

## Annual report of the President — 1968

The Industrial Development Bank was established by Act of Parliament in 1944 as a source of term financing for businesses in Canada unable to raise funds on reasonable terms and conditions from conventional sources with particular consideration to be given to the financing problems of small enterprises. In its lending policy the IDB is required to take into account the prospects of the enterprise being financially successful and its prospective ability to repay its borrowings from the Bank.

In the fiscal year ended September 30th, 1968, the IDB authorized 2,515 loans totalling \$120.2 million; this compared with 2,168 loans totalling \$113.1 million in the previous year. By the end of fiscal 1968, the Bank had, since its inception, approved over 21,000 loans aggregating nearly \$1,100 million to assist Canadian enterprises engaged in virtually every type of business activity.

The average size of the loans approved in fiscal 1968 was \$48,000, slightly less than in the two preceding years. Approximately 46% of the loans approved were for amounts of \$25,000 or less, and over 91% were for amounts of \$100,000 or less. The relatively modest average size of loan, and the large proportion of loans of \$100,000 or less, reflect the needs of small business for term financing and the special attention given by the IDB to proposals from small and medium size enterprises throughout the country, including more remote areas such as the Yukon and Northwest Territories.

Approvals in excess of \$100,000 accounted for approximately 8% of total approvals by number and 33% by amount. There is no upper limit on the amount of an IDB loan, but as larger term loans appear to be more readily obtainable elsewhere than smaller loans, the IDB's rates of interest are graduated upwards with the size of the loan; this helps to screen out applicants who might be expected to have access to funds elsewhere on reasonable terms and conditions.

A detailed classification of loan approvals by size appears on pages 12 and 13.

## Types of business

A detailed classification of loan approvals by type of business is given on pages 16 and 17. As indicated by the condensed classification shown below for the past three fiscal years, the proportion of loans made to borrowers in various fields of business enterprise has been fairly constant:

	Fiscal 1966		Fiscal 1967		Fiscal 1968	
	No.	Amount	No.	Amount	No.	Amount
Manufacturing.....	36%	48%	32%	36%	29%	33%
Transportation and Storage.....	4	5	5	12	4	5
Construction.....	6	5	6	4	6	5
Agriculture.....	8	5	8	6	8	7
Wholesale and Retail Trade.....	23	18	23	19	23	18
Tourist Industry.....	12	10	13	11	14	15
Other.....	11	9	13	12	16	17
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

## Customers' programmes

In fiscal 1968, IDB loans in the amount of \$120 million assisted in financing customers' programmes totalling \$175 million. As in previous years, the major part comprised the acquisition of fixed assets of all kinds. In 1968 there was an increase in the proportion relating to land and buildings and a decrease in the proportion relating to purchase of machinery and equipment:

	Fiscal 1966	Fiscal 1967	Fiscal 1968
Land and buildings.....	46%	47%	56%
Machinery and equipment.....	31	32	23
Increase in working capital.....	10	9	9
Refinancing of mortgages, liens, etc.....	7	8	7
Changes of ownership.....	4	3	4
All other programmes.....	2	1	1
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The IDB's share in the total financing required for these programmes was approximately the same as in the last two years:

	Fiscal 1966	Fiscal 1967	Fiscal 1968
IDB.....	70%	68%	69%
Other sources.....	30	32	31
	<u>100%</u>	<u>100%</u>	<u>100%</u>

*Coastal log sorting ground.*





## Organization

In fiscal 1968, the decision on over 90% of loan approvals was taken at local branches or regional offices. This reflects the increasing impact of the decentralization policies adopted about two years ago. In line with its continuing aim of processing loan applications as quickly as possible, the IDB's current procedures stress more explicitly to applicants the importance of furnishing promptly the supporting material which is required to enable a financing proposal to be processed; without proper and reasonably up-to-date information from an applicant, the IDB cannot complete its analysis and reach a decision on a loan proposal.

The IDB endeavours to make its facilities known and easily available to businessmen in all parts of Canada. The Bank now has 29 branch offices in larger centres across the country. New offices have been opened as the volume of existing or prospective lending business in particular areas has justified this course, having regard to staff resources available and economical operations. In September, a sub-branch was established in Chicoutimi, Que., to be open on a regular basis certain days of the month, thereby extending improved service to a centre where full-time representation would not, at present, be practicable. A complete listing of IDB branch and regional offices is given on pages 26 and 27.

In smaller centres in the general area served by a branch, officers bring the IDB's services to local businessmen by means of periodic visits, advertised in advance, at which prospective customers are invited to discuss their proposals with the visiting officer. In fiscal 1968, 743 such visits were made to over 250 localities. This programme of advertised visits, which has been steadily expanded over the last several years, has been found to be an effective and practical way of actively assisting the development of viable enterprises in centres of smaller size and at more remote locations. IDB officers also frequently address business and professional groups to describe the activities of the Bank; in fiscal 1968, officers of the Bank made speeches or participated in panel discussions on some 72 occasions. These activities are additional to the IDB's regular advertising programme in newspapers and business and professional journals.

## Financial statements

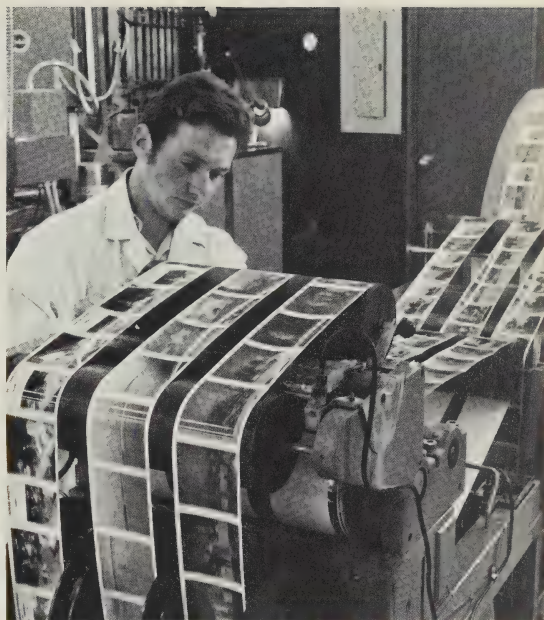
The statements of income and expense and the year-end balance sheets for the fiscal years 1967 and 1968 appear on pages 18, 20 and 21.

Loan disbursements totalled \$105.4 million in fiscal 1968, compared with \$96.3 million in fiscal 1967. Repayments amounted to \$69.0 million, an increase of \$8.5 million over the previous year. Debentures were sold in the amount of \$31.1 million and \$3 million was derived from the issue of share capital.

- 1 *Amusement park.*
- 2 *Drying finished photo prints on a continuous roll system.*
- 3 *Commercial air services.*



1



2



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In accordance with the Industrial Development Bank Act, the additional share capital was subscribed by the Bank of Canada, which also purchased all debentures issued during the year.

Income at \$27.1 million was 15.4% above that of the previous year, the interest on debentures rose by 19% (reflecting in part the increase in the general level of interest rates) and operating expenses by 11%. The IDB's minimum lending rate on new loans was raised to 8% in December 1967, with higher interest rates being applied to larger loans. Net income before provision for losses was \$2.8 million compared with \$2.5 million in fiscal 1967.

Income and expense are shown below for the past five years, calculated as percentages of loans and investments outstanding during the respective years:

	Fiscal 1964	Fiscal 1965	Fiscal 1966	Fiscal 1967	Fiscal 1968
Income.....	6.95%	7.07%	7.18%	7.40%	7.67%
Operating costs.....	2.33	2.19	2.32	2.22	2.22
Cost of debentures.....	3.74	3.95	4.16	4.38	4.67
Net income before provision for losses.....	.88	.93	.70	.80	.78

A statement of income and expense for fiscal 1968 together with comparative figures for previous years is given in the summary of operations on pages 28 and 29.

Bad debts totalling \$762,340 were written off out of Reserve for Losses during the year, and \$36,516 previously written off was recovered. The amount of \$1,975,824 was appropriated from income to Reserve for Losses, which stood at \$8,750,000 at the year-end, representing slightly over 2% of the \$428.6 million of loans and investments outstanding or committed.

As the IDB Act provides, the balance of income for fiscal 1968, amounting to \$774,636 after provision for bad and doubtful debts, was added to the Reserve Fund, raising it to \$20,366,887.

## Staff

Additions to the staff, required by the growth in business during the year, brought the total number to 670 at the fiscal year-end, compared with 619 a year earlier. It is on the ability and experience of its staff that the Bank must rely in carrying out its responsibilities under the Industrial Development Bank Act, and I express once again my appreciation of the loyal and devoted efforts of the staff during the past year.

\* \* \*

The IDB, one of the first organizations of its kind in the world, continued during the past year to assist in the development of newer, similar institutions in other countries by receiving personnel for training and experience in Canada.



*Manufacturing women's knitwear.*





## Loan approvals

During fiscal years ending September 30

	NUMBER			
	1963	1964	1965	1966
CLASSIFICATION BY NEW OR EXISTING BORROWERS:				
To new borrowers.....	1,532	1,514	1,602	1,642
To existing borrowers.....	454	569	607	692
Total.....	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>

### CLASSIFICATION BY SIZE:

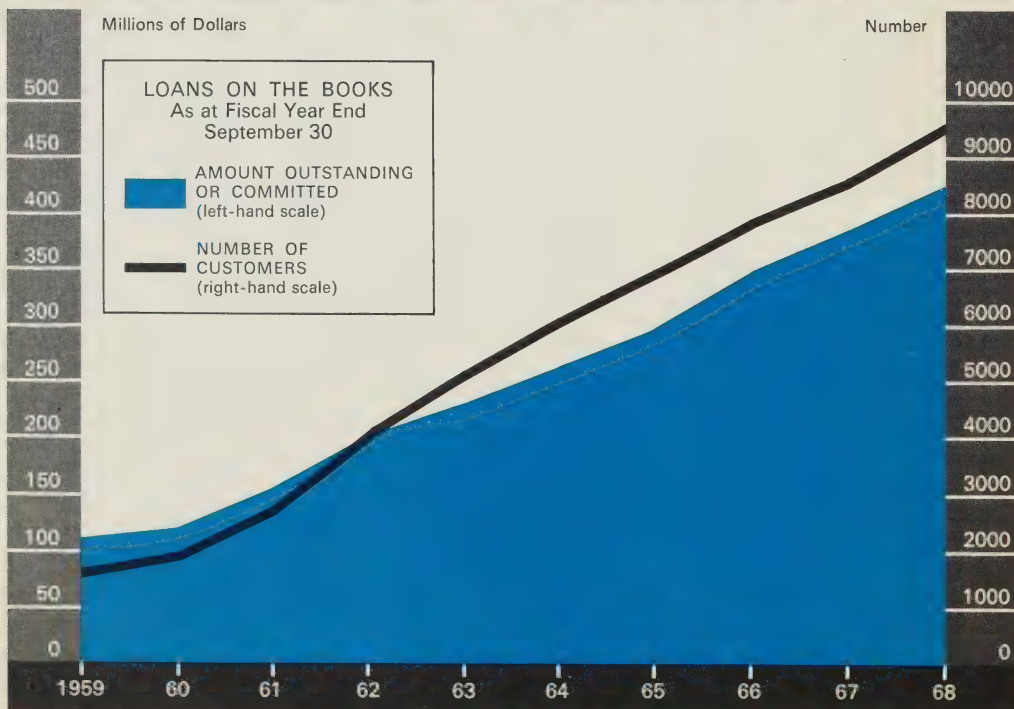
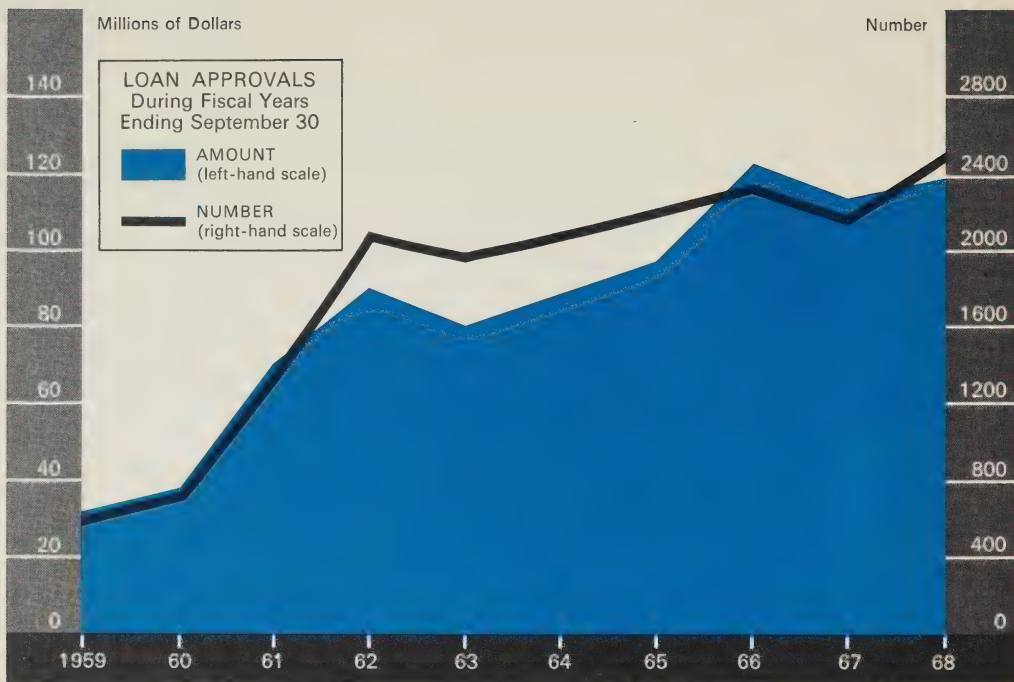
\$ 5,000 or less.....	100	86	76	70
Over 5,000 to 25,000.....	993	1,054	1,072	988
Over 25,000 to 50,000.....	476	519	565	609
Over 50,000 to 100,000.....	303	289	378	449
Over 100,000 to 200,000.....	84	96	81	159
Total up to \$200,000.....	1,956	2,044	2,172	2,275
Over \$200,000.....	30	39	37	59
Total.....	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>
Average size.....				

### CLASSIFICATION BY PROVINCE:

Newfoundland.....	52	60	46	45
Prince Edward Island.....	12	4	7	10
Nova Scotia.....	46	62	51	56
New Brunswick.....	70	52	62	59
Quebec.....	396	440	486	450
Ontario.....	676	674	684	752
Manitoba.....	158	152	165	144
Saskatchewan.....	79	122	153	150
Alberta.....	306	283	256	301
British Columbia.....	181	230	292	358
Yukon.....	3	1	4	1
N.W. Territories.....	7	3	3	8
Total.....	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>

AMOUNT (\$000)

1967	1968	1963	1964	1965	1966	1967	1968
1,560	1,851	61,020	62,964	69,936	90,968	80,480	90,742
608	664	18,791	25,184	26,210	31,679	32,652	29,511
<u>2,168</u>	<u>2,515</u>	<u>79,811</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>
56	44	431	363	306	287	237	192
928	1,107	15,113	16,503	17,011	15,572	15,337	18,717
580	670	18,324	19,778	21,782	23,422	22,065	25,878
407	481	22,737	21,571	28,214	33,210	29,478	35,215
145	164	12,249	13,666	11,948	23,783	20,856	22,978
2,116	2,466	68,854	71,881	79,261	96,274	87,973	102,980
52	49	10,957	16,267	16,885	26,373	25,159	17,273
<u>2,168</u>	<u>2,515</u>	<u>79,811</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>
		40	42	44	53	52	48
31	31	1,531	1,982	1,588	1,508	1,092	1,315
8	17	305	61	278	373	515	355
45	44	1,846	2,122	2,356	2,375	1,516	1,565
60	63	2,276	1,747	1,794	2,719	3,084	2,124
404	461	22,535	24,994	25,549	31,935	20,780	24,484
824	833	27,922	28,112	30,098	42,646	39,006	41,579
83	127	5,525	5,784	5,855	6,329	3,873	5,912
111	129	2,404	3,801	4,742	6,447	4,962	5,054
257	289	8,388	8,886	8,980	10,968	17,013	13,463
330	493	6,727	10,569	14,647	16,907	19,914	22,022
7	17	37	20	184	75	896	688
8	11	315	70	75	365	481	1,692
<u>2,168</u>	<u>2,515</u>	<u>79,811</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>



## Provincial distribution of loans

	Accounts on Books at September 30, 1968		Total Authorizations November 1, 1944 to September 30, 1968	
	Number of Businesses	Amounts Outstanding or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland . . . . .	197	6,162	295	13,664
Prince Edward Island . . . . .	38	1,150	76	8,261
Nova Scotia . . . . .	214	7,836	401	23,584
New Brunswick . . . . .	278	10,038	524	27,343
Quebec . . . . .	1,917	103,695	3,206	283,403
Ontario . . . . .	3,162	140,469	5,355	355,485
Manitoba . . . . .	588	21,525	1,033	59,692
Saskatchewan . . . . .	542	18,731	817	43,113
Alberta . . . . .	1,153	46,095	1,891	103,251
British Columbia . . . . .	1,364	66,268	2,255	157,657
Yukon . . . . .	29	1,728	43	2,492
N.W. Territories . . . . .	27	2,446	42	4,541
Total . . . . .	<u>9,509</u>	<u>426,143</u>	<u>15,938</u>	<u>1,082,486</u>

## Summary statistics of loans

for fiscal years ending September 30

(Millions of dollars)	1963	1964	1965	1966	1967	1968
Amounts drawn down by borrowers . . . . .	74.0	69.6	80.8	98.0	96.3	105.4
Repayments by borrowers . . . . .	38.2	46.0	49.8	54.8	60.5	69.0
Amounts written off (net)						
Principal . . . . .	.1	.2	.4	.3	.6	.4
Interest . . . . .	..	..	(.2)	(.1)	(.1)	(.1)
Increase in amounts outstanding . . . . .	35.7	23.4	30.6	42.9	35.2	36.0
Amounts outstanding at year-end . . . . .	200.3	223.7	254.3	297.2	332.4	368.4
Amounts not yet disbursed at year-end on loans authorized . .	31.7	39.7	42.6	52.5	55.1	57.7
Amounts outstanding plus undisbursed at year-end . . . . .	232.1	263.4	296.9	349.7	387.5	426.1
Number of customers on the books at year-end . . . . .	5,104	6,027	6,961	7,868	8,593	9,509
Average amount outstanding plus undisbursed per customer (thousands of dollars) . . . . .	45	44	43	44	45	45



## Classification of loan approvals by type of business

During fiscal years ending September 30

	NUMBER			
	1963	1964	1965	1966
Manufacturing:				
Foods and Beverages.....	159	149	151	153
Tobacco and Tobacco Products.....	..	..	1	1
Rubber Products.....	6	5	4	13
Leather Products.....	6	14	18	17
Textile Products (except Clothing).....	26	19	25	22
Clothing (Textiles and Fur).....	45	38	49	35
Wood Products.....	112	115	119	147
Paper Products (including Pulp).....	18	15	13	14
Printing and Allied Industries.....	46	47	56	70
Iron and Steel Products (including Machinery and Equipment)....	165	183	192	208
Transportation Equipment.....	25	24	20	20
Non-Ferrous Metal Products.....	7	2	8	7
Electrical Apparatus and Supplies.....	13	16	19	15
Non-Metallic Mineral Products.....	54	47	49	43
Products of Petroleum and Coal.....	..	3	2	2
Chemical Products.....	26	9	22	18
Miscellaneous Manufacturing Industries.....	57	47	53	57
Commercial Air Services.....	12	15	23	16
Warehousing (including Refrigeration).....	12	9	9	8
Other Transportation and Storage.....	91	67	92	76
Electric Power, Gas, Water Utilities.....	2	4	3	3
Mines (incl. Milling), Quarries, Oil Wells.....	16	17	25	25
Construction.....	123	117	131	144
Industrial Buildings.....	35	38	36	59
Personal Services.....	24	11	7	15
Forestry.....	6	7	4	8
Wholesale Trade.....	120	151	197	197
Retail Trade.....	225	290	321	338
Education and Health Services.....	10	7	9	14
Recreation Services.....	33	44	29	34
Services to Business Management.....	21	13	16	24
Miscellaneous Services.....	39	43	43	43
Agriculture.....	175	201	205	185
Fishing and Trapping.....	6	5	6	3
Communications.....	7	16	9	18
Laundries, Cleaners and Pressers.....	45	52	39	41
Restaurants and Other Eating Places.....	64	82	75	95
Hotels, Motels and Other Lodgings.....	127	145	104	130
Theatres, Bowling Alleys, Billiard Halls.....	28	16	25	16
(Enterprises engaged in more than one type of business are classified according to major activity.)	<u>1,986</u>	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>

AMOUNT (\$000)

1967	1968	1963	1964	1965	1966	1967	1968
124	137	7,400	8,974	8,655	10,787	7,366	7,423
..	1	..	..	74	50	..	40
5	6	162	233	192	971	252	206
13	8	372	434	644	793	577	364
24	19	1,695	1,610	4,457	2,176	1,777	2,375
35	27	1,446	1,919	2,102	2,158	2,727	1,444
102	100	6,281	5,954	6,321	11,653	7,078	4,825
22	7	1,430	758	1,454	1,837	1,516	272
48	56	2,082	2,290	1,788	3,888	2,636	2,036
170	199	7,992	12,434	9,679	14,140	9,282	11,121
22	31	847	737	844	1,018	1,215	1,788
7	11	296	407	318	800	841	484
17	18	566	1,240	1,200	918	1,687	1,358
34	41	2,248	2,625	3,342	3,788	1,361	3,049
2	..	..	169	60	155	152	..
19	24	1,522	277	804	677	745	1,429
48	50	2,326	2,035	2,894	2,775	1,954	1,992
25	21	384	993	845	1,903	6,040	833
10	5	1,274	439	521	472	916	275
63	77	4,690	4,078	5,492	3,733	6,255	4,456
7	6	63	79	70	43	154	195
18	17	550	1,053	1,102	1,986	1,129	1,123
129	160	3,877	4,004	4,556	5,826	4,990	6,333
76	144	1,492	1,594	1,818	2,786	4,328	9,961
23	14	486	516	362	446	706	616
16	11	77	147	176	336	661	257
160	152	4,431	5,509	6,831	9,498	8,174	6,912
344	431	6,134	7,544	9,019	12,202	13,555	14,791
20	48	181	100	696	984	1,189	1,912
31	42	1,668	1,929	1,031	1,639	1,504	1,876
30	28	631	307	498	881	686	801
46	52	913	1,061	1,164	1,480	2,116	1,934
169	199	4,809	5,892	7,118	6,876	6,121	8,355
7	11	455	166	350	65	143	208
17	7	376	515	468	890	1,075	365
32	47	1,220	1,564	1,374	1,223	1,059	2,086
91	110	1,890	2,627	2,077	3,506	3,304	4,126
147	184	6,460	5,307	4,810	6,728	7,019	12,261
15	14	1,085	628	940	560	842	371
<u>2,168</u>	<u>2,515</u>	<u>79,811</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>

## Income and Expense

Year ended September 30, 1968 (with comparative figures for 1967)

	(\$000)	(\$000)
	1968	1967
<b>INCOME</b>		
Interest.....	\$26,378	\$22,849
Profit on sale of investments.....	190	74
Sundry.....	487	523
	<u>\$27,055</u>	<u>\$23,446</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> .....	\$ 5,285	\$ 4,758
Pension fund, unemployment insurance and group insurance ....	532	452
Other staff expenses <sup>(2)</sup> .....	99	90
Investigation and supervision expenses.....	113	99
Travel and transfer expenses.....	289	243
Rental and other costs — leased premises.....	703	643
Depreciation on equipment.....	93	88
Advertising.....	118	99
Other public information <sup>(3)</sup> .....	80	76
Telephone and telegrams.....	166	156
Office supplies and expenses.....	234	224
Directors' fees.....	11	11
Auditors' fees and expenses.....	18	18
All other operating expenses.....	85	89
Total operating expenses.....	<u>\$ 7,826</u>	<u>\$ 7,046</u>
Interest on debentures (including amortization of discount and premium).....	16,478	13,875
Provision for losses.....	1,976	1,891
	<u>\$26,280</u>	<u>\$22,812</u>
Balance of income transferred to reserve fund.....	<u>\$ 775</u>	<u>\$ 634</u>

(1) The number of staff averaged 642 in 1968 and 624 in 1967.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

# Reserves

## STATEMENT OF RESERVE FUND

Year ended September 30, 1968 (with comparative figures for 1967)	(\$000)	(\$000)
	1968	1967
Balance, beginning of year . . . . .	\$19,592	\$18,958
Balance of income for the year . . . . .	775	634
Balance, end of year . . . . .	<u>\$20,367</u>	<u>\$19,592</u>

## STATEMENT OF RESERVE FOR LOSSES

Year ended September 30, 1968		(\$000)
Balance, beginning of year . . . . .		\$ 7,500
<i>Add:</i>		
Recovery of amounts previously written off . . . . .	\$ 36	
Provision for bad and doubtful debts for the year ended September 30, 1968 . . . . .	<u>1,976</u>	<u>2,012</u>
		9,512
<i>Less:</i>		
Bad debts written off . . . . .		<u>762</u>
Balance, end of year . . . . .		<u>\$ 8,750</u>



# Statement of Assets and Liabilities as at September 30,

(with comparative figures for 1967)

## ASSETS

	1968	1967
Cash.....	\$ 78,994	\$ 43,179
Government of Canada Treasury Bills.....	999,540	1,099,295
Loans and investments.....	370,915,993	334,328,239
Accrued interest.....	1,796,473	1,702,400
Property held for sale (Note 1).....	2,557,602	492,027
Liability of others on guarantees and underwriting agreements (as per contra).....	13,975	13,975
Debenture discount and premium less amortization.....	1,172,758	2,304,334
Other assets.....	1,411,330	821,554
	<u>\$378,946,665</u>	<u>\$340,805,003</u>

NOTE 1 — Agreements for sale formerly included in property held for sale are now included with loans and investments. Last year's data are revised accordingly.

NOTE 2 — Amounts not disbursed at September 30, 1968 on loans and investments authorized, \$57,696,379 (1967, \$55,036,868).

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT

1968

## LIABILITIES

	1968	1967
Debentures outstanding.....	\$293,600,000	\$262,500,000
Accrued interest on debentures.....	8,285,860	6,728,178
Liabilities under guarantees and underwriting agreements....	13,975	13,975
Other liabilities.....	929,943	470,599
Reserve for losses.....	8,750,000	7,500,000
Capital:		
Capital stock — authorized 750,000 shares par value \$100 each; issued and outstanding—1968, 470,000 shares; 1967, 440,000 shares.....	47,000,000	44,000,000
Reserve fund.....	20,366,887	19,592,251
	<u>67,366,887</u>	<u>63,592,251</u>
	<u>\$378,946,665</u>	<u>\$340,805,003</u>

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinion the above statement of assets and liabilities presents fairly the financial position of the Bank as at September 30, 1968.

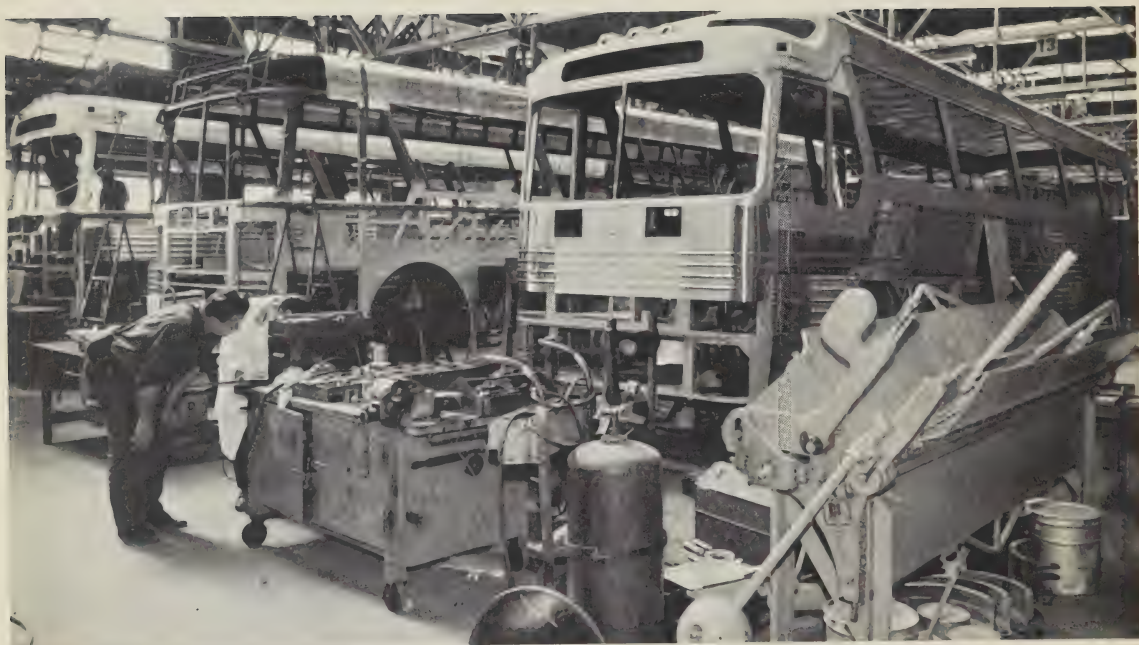
T. C. KINNEAR, F.C.A.  
of Price Waterhouse & Co.

J. RENÉ DE COTRET, C.A.  
of René de Cotret & Cie

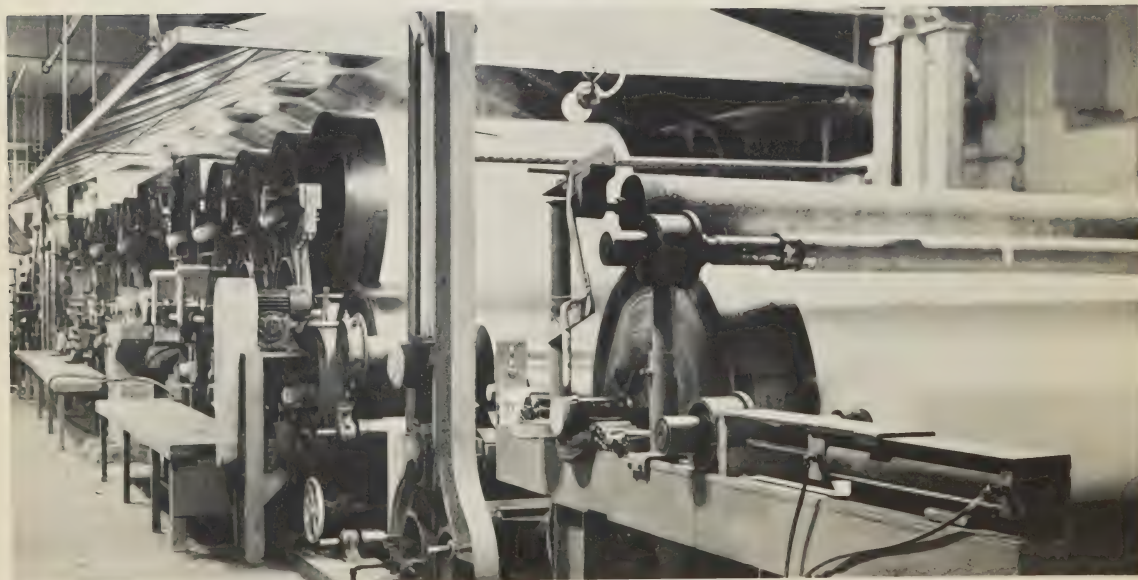
Ottawa, October 15, 1968

1 *Bus manufacturing.*

2 *Producing paper.*



1



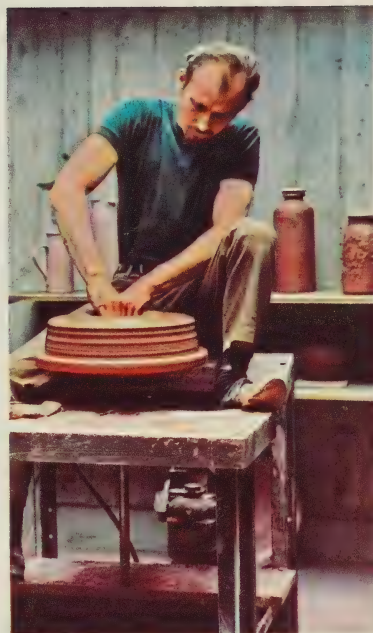
2



- 1 Dry cleaning store.
- 2 Handcrafting pottery.
- 3 Automated cage egg laying house.



1



2



3



## Board of Directors

---

*L. Rasminsky, C.C., C.B.E.	Ottawa, Ont.
*J. R. Beattie	Ottawa, Ont.
*A. I. Barrow, C.A., R.I.A.	Halifax, N.S.
*R. B. Bryce	Ottawa, Ont.
S. E. Green	Charlottetown, P.E.I.
S. Kanee	Winnipeg, Man.
P. H. Lavoie	Montreal, Que.
*W. A. Mackintosh, C.C.	Kingston, Ont.
D. F. Matheson	Yorkton, Sask.
L. Patrick, C.B.E.	Calgary, Alta.
F. J. Ryan, Q.C.	St. John's, Nfld.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.
*J. H. Warren	Ottawa, Ont.

*\*Member of the Executive Committee*

# Officers

President . . . . .	L. Rasminsky, C.C., C.B.E.	
General Manager . . . . .	A. N. H. James . . . . .	Montreal
Deputy General Manager . . . . .	E. R. Clark . . . . .	Montreal
Assistant General Manager . . . . .	C. E. DeAthe . . . . .	Montreal
Assistant General Manager . . . . .	H. J. C. Russell . . . . .	Montreal
Assistant General Manager, Atlantic Region . . . . .	K. A. Powers . . . . .	Halifax
Assistant General Manager, Quebec Region . . . . .	Lucien Viau . . . . .	Montreal
Assistant General Manager, Central Region . . . . .	W. C. Stuart . . . . .	Toronto
Assistant General Manager, Prairie Region . . . . .	J. C. Ingram . . . . .	Winnipeg
Assistant General Manager, British Columbia Region . . . . .	J. E. Millard . . . . .	Vancouver
Secretary . . . . .	L. F. Mundy . . . . .	Ottawa
Deputy Secretary . . . . .	P. D. Smith . . . . .	Ottawa
Deputy Secretary . . . . .	G. Hamilton . . . . .	Ottawa
Chief Accountant . . . . .	A. J. Norton . . . . .	Ottawa
Internal Auditor . . . . .	E. Metcalfe . . . . .	Ottawa
Superintendent of Credits . . . . .	G. R. Elliott . . . . .	Montreal
Administrative Assistant . . . . .	P. F. Limoges . . . . .	Montreal
Special Assistant . . . . .	R. Turta . . . . .	Montreal
Controller . . . . .	H. Duncan . . . . .	Montreal
Assistant Controller . . . . .	R. G. Forsythe . . . . .	Montreal
Assistant Controller . . . . .	R. L. McLean . . . . .	Montreal
General Solicitor . . . . .	H. M. Scott . . . . .	Montreal
Associate General Solicitor . . . . .	G. Bousquet, Q.C. . . . .	Montreal
Chief, Insurance Department . . . . .	W. L. Mundy . . . . .	Montreal
Engineering Adviser . . . . .	B. Heron . . . . .	Montreal
Industrial Research Officer . . . . .	L. E. Barclay . . . . .	Ottawa
Deputy Secretary . . . . .	C. I. Stuart . . . . .	Montreal
Deputy Secretary . . . . .	G. R. d'Artois . . . . .	Montreal
Personnel Officer . . . . .	E. C. Scott . . . . .	Montreal
Assistant Personnel Officer . . . . .	J. A. McKee . . . . .	Montreal
Information Officer . . . . .	J. W. Sivers . . . . .	Montreal

## Officers (continued)

### REGIONAL AND BRANCH OFFICES

ATLANTIC REGION	Assistant General Manager: K. A. Powers	1583 Hollis Street, Halifax
Regional Office	Supervisor: J. G. Kenna	1583 Hollis Street, Halifax
St. John's	Manager: G. J. Hiltz	85 Elizabeth Avenue
Halifax	Manager: D. A. Kerley	1583 Hollis Street
Saint John	Manager: K. W. Bolam	75 Prince William Street
Moncton	Manager: P. H. Johnson	236 St. George Street
QUEBEC REGION	Assistant General Manager: Lucien Viau	901 Victoria Square, Montreal
Regional Office	Supervisor: J. E. Nordin Assistant Supervisors: G. Bourbonnière, J. M. Dunbar	901 Victoria Square, Montreal
Rimouski	Manager: C. L. L'Espérance	143 St. Germain Street, West
Quebec	Manager: J. Y. Milette Assistant Manager: J. R. Leduc	925 Chemin St. Louis
Chicoutimi (Sub-Branch to Quebec)		152 Racine Street, East
Trois-Rivières	Manager: J. Y. Bernier	550 Bonaventure Street
Montreal (North)	Manager: I. M. Wills Assistant Managers: M. Dépot, J. A. Clinton	110 Cremazie Boulevard West, Montreal
Montreal (South)	Manager: G. L. Vézina Assistant Managers: R. V. Crank, P. M. Bourassa	901 Victoria Square, Montreal
Sherbrooke	Manager: J. Lagacé	1845 King Street, West
Ottawa	Manager: G. W. Madore Assistant Manager: J. A. Sutherland	238 Sparks Street
CENTRAL REGION	Assistant General Manager: W. C. Stuart	250 University Avenue, Toronto
Regional Office	Supervisor: E. A. Bell Assistant Supervisor: K. K. Hay-Roe	250 University Avenue, Toronto
Metropolitan Toronto	Manager: I. D. MacLaren Assistant Managers: L. E. Crowley, W. Y. Torrance	250 University Avenue, Toronto

## Officers (continued)

### CENTRAL REGION (continued)

Mid-Ontario	Manager: R. T. Mactavish Assistant Manager: J. O. Skerry	250 University Avenue, Toronto
Hamilton	Manager: J. T. Horne Assistant Manager: E. A. Duddle	20 Hughson Street, South
Kitchener-Waterloo	Manager: J. B. S. Oldaker	Waterloo Square Building, Waterloo
London	Manager: C. V. Spielman	291 Dundas Street
Windsor	Manager: J. G. Wilson	267 Pelissier Street
Sudbury	Manager: N. J. Weedmark Assistant Manager: R. J. Collins	96 Larch Street
Lakehead	Manager: C. B. Ready	106 Centennial Square, Fort William

### PRAIRIE REGION (including Northwest Territories)

Regional Office	Assistant General Manager: J. C. Ingram	287 Broadway, Winnipeg
Winnipeg	Supervisor: R. H. Wheeler Manager: H. W. Baker Assistant Manager: D. S. Brown	287 Broadway, Winnipeg 360 Broadway
Regina	Manager: M. T. Collins	2220-12th Avenue
Saskatoon	Manager: H. D. Ramsey	406-21st Street, East
Calgary	Manager: F. G. Stewart Assistant Manager: D. B. Anderson	320 Seventh Avenue, S.W.
Edmonton	Manager: C. R. T. Bingley Assistant Manager: T. F. Ching	601 Chancery Hall

### BRITISH COLUMBIA REGION (including Yukon Territory)

Regional Office	Assistant General Manager: J. E. Millard	900 West Hastings Street, Vancouver
Kelowna	Supervisor: L. F. Smith Assistant Supervisor: O. H. Morgan	900 West Hastings Street, Vancouver
Prince George	Manager: M. D. Rudkin	1460 Pandosy Street
Vancouver	Manager: R. B. Thomas	1320 Fifth Avenue
	Manager: W. H. Jay	900 West Hastings Street
	Assistant Managers: K. R. Miller, J. L. Denholme	
Victoria	Manager: R. P. Dohan	777 Broughton Street



## Summary of operations 1944 - 1968

(Thousands of dollars)

Fiscal years ending September 30th	November 1944 to 1960	1961	1962
<b>LOANS AND INVESTMENTS</b>			
Authorized during period.....	300,594	71,636	92,006
Less: Cancellations and reductions.....	45,654	9,649	9,761
Net authorizations.....	254,940	61,987	82,245
Disbursements.....	237,969	47,504	74,463
Less: Repayments and write-offs.....	134,897	27,315	32,799
Increase in amounts outstanding.....	103,072	20,189	41,664
<b>INCOME AND EXPENSE</b>			
Income from loans and investments.....	34,492	7,135	9,384
Other income.....	3,438	289	308
Total income.....	37,930	7,424	9,692
Operating expenses			
Salaries and other staff expenses.....	9,183	2,007	3,008
Other.....	2,869	772	1,133
Total operating expenses.....	12,052	2,779	4,141
Cost of debentures.....	8,188	3,008	4,486
Net income before provision for losses.....	17,690	1,637	1,065
of which:			
Appropriated to reserve for losses.....	3,373	444	650
Transferred to reserve fund.....	14,317	1,193	415
<b>WRITE-OFFS</b>			
Bad debts written-off, net.....	874	244	250
<b>YEAR-END BALANCE SHEET</b>			
Loans and investments, including agreements for sale.....		123,291	164,925
All other assets.....		1,721	2,210
Total assets.....		125,012	167,135
Capital, issued and paid up.....		26,000	30,000
Reserve fund.....		15,510	15,925
Reserve for losses.....		2,700	3,100
Debentures outstanding.....		78,900	115,300
All other liabilities.....		1,902	2,810
Total liabilities.....		125,012	167,135

1963	1964	1965	1966	1967	1968	Cumulative Total
79,961	88,501	96,246	122,664	113,442	120,279	1,085,329
13,317	10,627	12,418	14,771	14,223	12,171	142,591
66,644	77,874	83,828	107,893	99,219	108,108	942,738
74,208	69,534	81,141	98,143	96,631	105,466	885,059
38,241	46,198	50,224	55,181	61,197	69,721	515,773
35,967	23,336	30,917	42,962	35,434	35,745	369,286
12,251	14,246	16,638	19,293	22,863	26,396	162,698
378	414	469	482	583	659	7,020
12,629	14,660	17,107	19,775	23,446	27,055	169,718
3,410	3,578	3,884	4,794	5,300	5,915	41,079
1,241	1,328	1,411	1,596	1,746	1,912	14,008
4,651	4,906	5,295	6,390	7,046	7,827	55,087
6,556	7,891	9,549	11,457	13,875	16,478	81,488
1,422	1,863	2,263	1,928	2,525	2,750	33,143
729	998	1,323	1,393	1,891	1,976	12,777
693	865	940	535	634	774	20,366
129	198	573	393	641	726	4,028
200,928	224,267	255,154	298,178	334,328	370,916	
3,642	5,144	6,877	6,935	6,477	8,031	
204,570	229,411	262,031	305,113	340,805	378,947	
33,000	35,000	38,000	41,000	44,000	47,000	
16,618	17,483	18,423	18,958	19,592	20,367	
3,700	4,500	5,250	6,250	7,500	8,750	
147,600	168,100	195,400	232,800	262,500	293,600	
3,652	4,328	4,958	6,105	7,213	9,230	
204,570	229,411	262,031	305,113	340,805	378,947	

*Manufacture of brass accessories  
for fire fighting equipment.*









CAI  
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-R27

25<sup>TH</sup>

(ANNUAL REPORT OF THE PRESIDENT  
AND STATEMENT OF ACCOUNTS

FISCAL YEAR

**1969**

***idb*** INDUSTRIAL  
DEVELOPMENT BANK



1944 *idb* 1969

When the Industrial Development Bank opened its doors for business on November 1st, 1944 — twenty-five years ago — World War II had not yet come to an end. The establishment of this new financial institution was part of the war-time planning for post-war conditions. The aim was to encourage industrial development by providing capital assistance to sound business enterprises in Canada, particularly those of smaller size, which were unable for various reasons to obtain financing elsewhere on reasonable terms and conditions. The IDB was one of the first organizations in the world set up to fill this “gap”.

At first, the Bank's operations were primarily in the manufacturing field, but their scope has been steadily broadened by Parliament and today the IDB can lend to virtually any type of business undertaking. In its early years, the IDB had offices in the four largest cities in Canada; as its business grew and trained staff resources became available, additional offices were opened. Now, at the close of its twenty-fifth year of operations, the Bank makes its services available to the public through five regional offices and thirty-one branch offices across the country. A substantial proportion of the financing proposals regularly considered by the IDB are from businesses located in smaller centres and the more remote areas of Canada including the far North.

Up to the end of the last fiscal year, September 30, 1969, the Industrial Development Bank had approved over 24,000 term loans totalling some \$1,200 million to assist the growth and expansion of more than 18,000 small and medium size business enterprises. It is currently making about 3,000 loans per year. Last year these aggregated over \$150 million and were for an average amount of \$51,000.





Head Office

Ottawa

The Hon. E. J. Benson, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

December 9th, 1969

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ended September 30th, 1969, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

*L. Rasminsky*

President

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Fabricating laminated wooden arches.

Preparing doll's face mould.

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*The photographs in this report, depicting the operations of some of the customers of the Industrial Development Bank, illustrate the wide range of the activities of over 18,000 individual business enterprises in all parts of Canada which have received financial assistance from the IDB.*





## Highlights

### Amount of loans at September 30, 1969:

*(millions of dollars)*

Outstanding .....	\$416.3
Undisbursed .....	72.4
	<u>\$488.7</u>

### Number of customers at fiscal year-end:

Fiscal 1966 .....	7,868
Fiscal 1967 .....	8,593
Fiscal 1968 .....	9,509
Fiscal 1969 .....	10,627

### Number of loans approved in fiscal year:

Fiscal 1966 .....	2,334
Fiscal 1967 .....	2,168
Fiscal 1968 .....	2,515
Fiscal 1969 .....	2,988

### Amount of loans approved in fiscal year:

*(millions of dollars)*

Fiscal 1966 .....	\$122.6
Fiscal 1967 .....	113.1
Fiscal 1968 .....	120.2
Fiscal 1969 .....	153.4

## Annual report of the President—1969

In its twenty-fifth year of operation, completed on September 30th, 1969, the Industrial Development Bank authorized 2,988 loans totalling \$153.4 million; in the preceding fiscal year 2,515 loans totalling \$120.2 million had been approved. The total amount of loans outstanding at the close of fiscal 1969 was \$416.3 million, up by about 13% over the fiscal 1968 year-end, and loans not yet disbursed were \$72.4 million as against \$57.7 million one year earlier.

The average size of the loans approved last year was \$51,000, quite close to the comparable figure for several years past, and the bulk of the loans approved were for amounts of \$100,000 or less:

	<u>Fiscal 1967</u>		<u>Fiscal 1968</u>		<u>Fiscal 1969</u>	
Size of loans						
\$25,000 or less .....	984	45%	1,151	46%	1,370	46%
\$25,001 to \$100,000 .....	987	46	1,151	46	1,339	45
Over \$100,000 .....	197	9	213	8	279	9
	<u>2,168</u>	<u>100%</u>	<u>2,515</u>	<u>100%</u>	<u>2,988</u>	<u>100%</u>
Average size of loan (\$000) .....	52		48		51	

A detailed classification of loan approvals by size appears on pages 14 and 15.

The relatively small average size of loan, and the fact that the bulk of the IDB's lending is for amounts of \$100,000 or less, reflect the continuing term financing needs of smaller businesses in Canada and the particular consideration given by the IDB to the financing problems of small enterprises, as required by the Industrial Development Bank Act.

In view of general credit conditions prevailing during fiscal 1969, reflected in current policies directed towards reducing inflationary pressures, special care has been exercised in scrutinizing larger loan applications, particularly those where term financing for sound projects might be expected under normal monetary conditions to be available elsewhere on reasonable terms.

On September 30th, 1969, there were some 10,600 customers on the Bank's books, a net increase of about 1,100 during the year. The distribution of loans by provinces and the northern territories appears on page 17.

## Types of business

A condensed classification of loan approvals by type of business is shown in the following table; more detailed figures may be found on pages 18 and 19. It will be noted that, in general, the proportion of loans made to customers engaged in various kinds of business activity has remained relatively constant in recent years:

	Fiscal 1967		Fiscal 1968		Fiscal 1969	
	No.	Amount	No.	Amount	No.	Amount
Manufacturing .....	32%	36%	29%	33%	27%	34%
Transportation and Storage .....	5	12	4	5	3	5
Construction .....	6	4	6	5	6	5
Agriculture .....	8	6	8	7	6	5
Wholesale and Retail Trade .....	23	19	23	18	24	18
Tourist Industry .....	13	11	14	15	18	19
Other .....	13	12	16	17	16	14
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

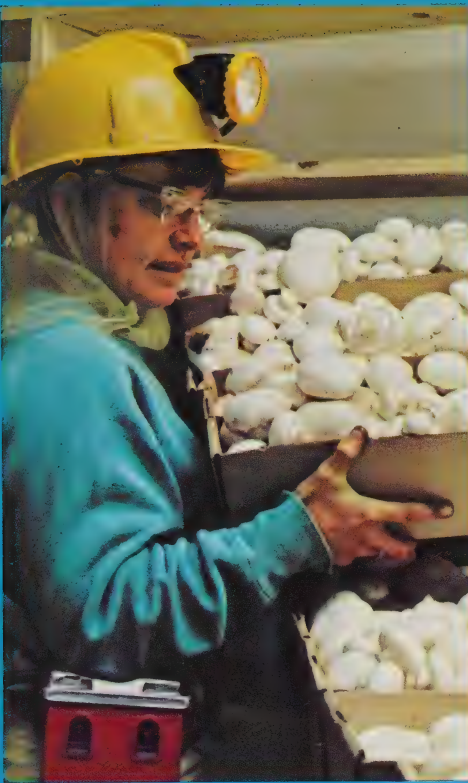
## Customers' programmes

In fiscal 1969, IDB loans amounting to \$153 million were used to assist in financing programmes totalling \$221 million undertaken by customers. The expenditures involved were, as in preceding years, principally to acquire additional fixed assets of all kinds. A comparison for the past three fiscal years of the purposes of customers' programmes is given below:

	Fiscal 1967	Fiscal 1968	Fiscal 1969
Land and buildings .....	47%	56%	53%
Machinery and equipment .....	32	23	25
Increase in working capital .....	9	9	9
Refinancing of mortgages, liens, etc. ....	8	7	6
Changes of ownership .....	3	4	6
All other programmes .....	1	1	1
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Of the total financing required for these programmes, the IDB's share in fiscal 1969 was 69%, about the same as in the two preceding years.





Grading and packing mushrooms.



Quality control of glass fuse housings.



Asphalt surfacing a street.



Manufacturing gift wrappings.



## Organization

During the past year two new IDB offices were opened — in July at New Westminster, B.C. to serve part of the territory formerly served by the Vancouver office, and in August at Rouyn, Que. The sub-branch at Rouyn is open on a regular basis certain days of the month and provides more convenient service to businessmen in that northern Quebec area. The IDB now has 31 branch offices located in larger centres across the country; they are listed, together with the Bank's five regional offices, on pages 27 and 28. The effect of the regional organization introduced three years ago, and the increased administrative decentralization undertaken at that time, is reflected in the fact that in fiscal 1969 the decision on more than 90% of loan applications was again taken at local branch or regional offices. This helped to reduce the processing time for loan applications.

The Bank is always anxious to give prospective borrowers a decision on a financing proposal as quickly as possible. One of the major difficulties to be overcome in this regard is the problem which is frequently encountered of obtaining promptly from an applicant the financial and other supporting material needed before a proposal can be properly assessed and a sound decision reached. In its constant endeavour to keep loan processing time to a minimum, the IDB is necessarily dependent upon the full co-operation of the applicant in supplying adequate and up-to-date information as requested, with as little delay as possible.

All IDB branch offices carry on a programme of periodic visits to smaller centres in the general area served by the branch. These visits, advertised in advance in the local press and other media, afford a convenient way of interviewing prospective customers and discussing their financing proposals at first hand during the visit. It has been the Bank's experience that this programme of visits to smaller centres, which covers all parts of the country including the northern territories, is an effective and practical means of making the IDB's services better known in areas where there is often the need for more ready access to term financing to assist the healthy development of local businesses. In fiscal 1969 some 980 advertised visits were made to over 290 localities.

As part of its public information programme the IDB also carries on a limited amount of advertising in daily and weekly newspapers and in trade and business journals, and officers of the Bank often accept speaking engagements to business and professional gatherings to describe the activities of the IDB; in the past year, IDB officers gave addresses or appeared in panel discussions on some 135 occasions.

## Financial statements

The statements of income and expense and the year-end balance sheets for the fiscal years 1968 and 1969 appear on pages 20, 22 and 23.

Loan disbursements in fiscal 1969 totalled in excess of \$122 million, an increase of \$17 million over fiscal 1968. Repayments amounted to over \$74 million, up by \$5 million over the previous year. The Bank sold debentures in the amount of \$37.9 million and \$4 million was obtained from the issue of additional share capital.

In accordance with the Industrial Development Bank Act, the additional share capital was subscribed by the Bank of Canada, which also purchased all debentures issued during the year.





In a summary of operations on pages 30 and 31 the statement of income and expense for fiscal 1969 is shown together with comparative figures for previous years.

While total income at \$31.1 million was 15% higher in fiscal 1969 than in the previous year, net income before provision for losses fell from \$2.8 million to \$2.1 million. Cost of debentures rose by 22% (reflecting in part the increased general level of interest rates), and operating expenses by 13%. The IDB's minimum lending rate on new loans was raised to 9% in February 1969 and to 10% in July 1969, with higher interest rates being applied to larger loans.

Income and expense are shown below for the past five years, calculated as percentages of loans and investments outstanding during the respective years:

	Fiscal 1965	Fiscal 1966	Fiscal 1967	Fiscal 1968	Fiscal 1969
Income .....	7.07%	7.18%	7.40%	7.67%	7.92%
Operating costs .....	2.19	2.32	2.22	2.22	2.26
Cost of debentures .....	3.95	4.16	4.38	4.67	5.12
Net income before provision for losses .....	.93	.70	.80	.78	.54

Bad debts totalling \$1,297,026 were written off out of Reserve for Losses during the year, and \$33,108 previously written off was recovered. The amount of \$1,763,918 was appropriated from income to Reserve for Losses, which stood at \$9,250,000 at the year-end, representing slightly under 2% of the \$491.3 million of loans and investments outstanding or committed.

As the IDB Act provides, the balance of income for fiscal 1969, amounting to \$373,206 after provision for bad and doubtful debts, was added to the Reserve Fund, raising it to \$20,740,093.

## Staff

As of the fiscal 1969 year-end, Mr. A. N. H. James retired from the post of General Manager which he had held since July 1962. Mr. James has been on the staff of the IDB since its formation in 1944. He served as Executive Assistant until 1953 and then as Assistant General Manager up to the time of his appointment as General Manager. I would like to record the Directors' deep appreciation of the major contribution which Mr. James has made to the growth and successful operation of the Bank over the years. I am pleased that Mr. James will continue to serve the Bank for a further year as a Consultant in respect of the IDB's programme of assistance to sister institutions in other countries. Under this programme, the Bank for many years has been receiving trainees and observers, particularly from the newly industrializing countries, for training and experience in Canada.

Mr. E. R. Clark, who has been with the Bank since 1947 and Deputy General Manager since 1966, was appointed to succeed Mr. James as General Manager.

The growth in the IDB's business during the past year brought the need for additions to the staff which numbered 708 at the close of fiscal 1969, compared with 670 at the previous year-end. It is with pleasure that I record my appreciation of the continued high standard of performance rendered by the staff during the past year.



Wire fence manufacture.



Food vending machines.



Pressing phonograph records.



## Loan approvals during fiscal years ended September 30

	NUMBER			
	1964	1965	1966	1967
CLASSIFICATION BY NEW OR EXISTING BORROWERS:				
To new borrowers	1,514	1,602	1,642	1,561
To existing borrowers	569	607	692	607
Total	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>	<u>2,168</u>

### CLASSIFICATION BY SIZE:

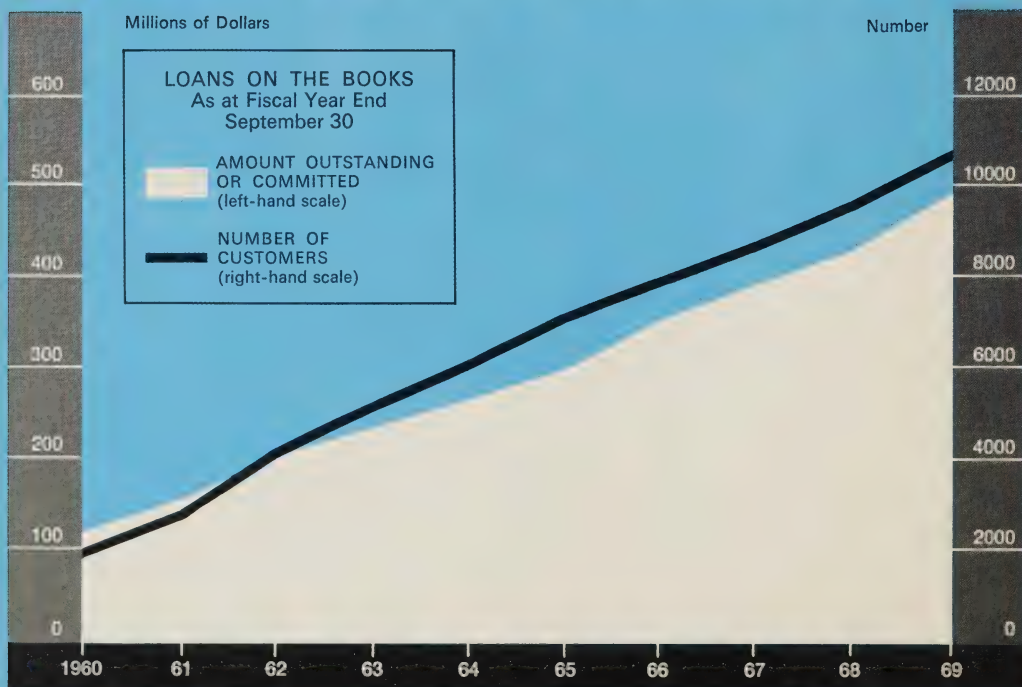
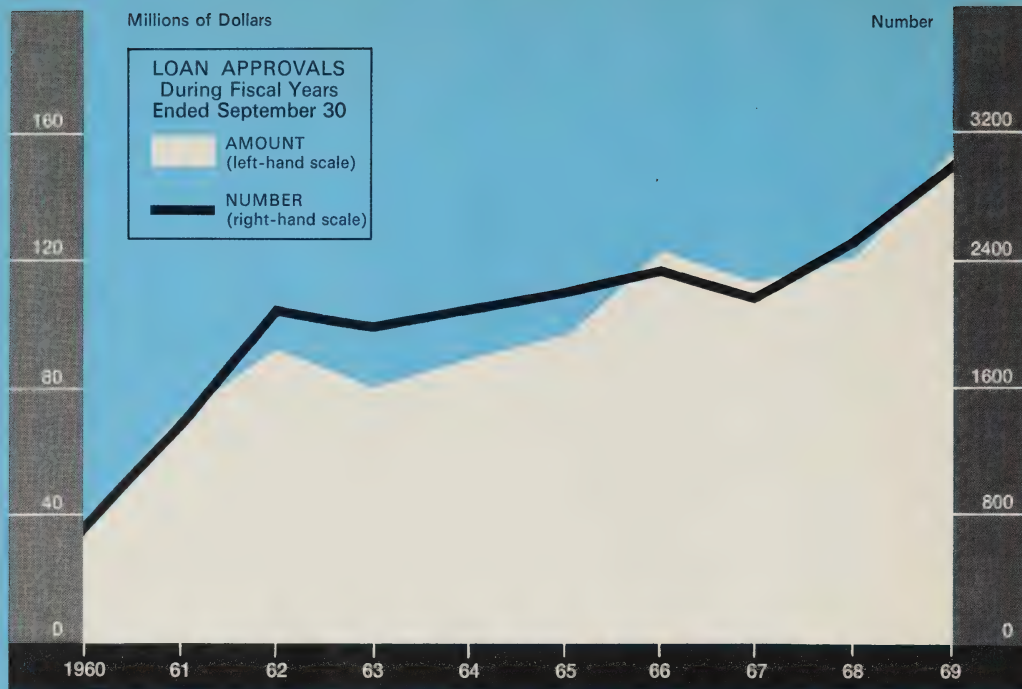
\$ 5,000 or less	86	76	70	56
Over 5,000 to 25,000	1,054	1,072	988	928
Over 25,000 to 50,000	519	565	609	580
Over 50,000 to 100,000	289	378	449	407
Over 100,000 to 200,000	96	81	159	145
Total up to \$200,000	<u>2,044</u>	<u>2,172</u>	<u>2,275</u>	<u>2,116</u>
Over \$200,000	39	37	59	52
Total	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>	<u>2,168</u>
Average size				

### CLASSIFICATION BY PROVINCE:

Newfoundland	60	46	45	31
Prince Edward Island	4	7	10	8
Nova Scotia	62	51	56	45
New Brunswick	52	62	59	60
Quebec	440	486	450	404
Ontario	674	684	752	824
Manitoba	152	165	144	83
Saskatchewan	122	153	150	111
Alberta	282	256	301	257
British Columbia	231	292	358	330
Yukon	1	4	1	7
N. W. Territories	3	3	8	8
Total	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>	<u>2,168</u>

AMOUNT (\$000)

1968	1969	1964	1965	1966	1967	1968	1969
1,850	2,177	62,964	69,936	90,968	80,580	90,687	108,502
665	811	25,184	26,210	31,679	32,552	29,566	44,938
<u>2,515</u>	<u>2,988</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>
44	66	363	306	287	237	192	281
1,107	1,304	16,503	17,011	15,572	15,337	18,717	22,171
670	792	19,778	21,782	23,422	22,065	25,878	30,792
481	547	21,571	28,214	33,210	29,478	35,215	40,753
164	193	13,666	11,948	23,783	20,856	22,978	27,365
<u>2,466</u>	<u>2,902</u>	<u>71,881</u>	<u>79,261</u>	<u>96,274</u>	<u>87,973</u>	<u>102,980</u>	<u>121,362</u>
49	86	16,267	16,885	26,373	25,159	17,273	32,078
<u>2,515</u>	<u>2,988</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>
		42	44	53	52	48	51
31	38	1,982	1,588	1,508	1,092	1,315	1,290
17	16	61	278	373	515	355	447
44	92	2,122	2,356	2,375	1,516	1,565	3,692
63	120	1,747	1,794	2,719	3,084	2,124	5,119
461	541	24,994	25,549	31,935	20,780	24,484	34,607
833	863	28,112	30,098	42,646	39,006	41,579	45,003
127	111	5,784	5,855	6,329	3,873	5,912	5,072
129	123	3,801	4,742	6,447	4,962	5,054	4,855
289	300	8,877	8,980	10,968	17,013	13,463	15,161
493	751	10,578	14,647	16,907	19,914	22,022	36,248
17	22	20	184	75	896	688	1,253
11	11	70	75	365	481	1,692	693
<u>2,515</u>	<u>2,988</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>



## Provincial distribution of loans

	Accounts on Books at September 30, 1969		Total Authorizations November 1, 1944 to September 30, 1969	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
Newfoundland .....	195	6,180	316	14,954
Prince Edward Island .....	46	1,358	89	8,708
Nova Scotia .....	261	9,765	468	27,276
New Brunswick .....	321	12,668	613	32,462
Quebec .....	2,100	116,758	3,573	318,010
Ontario .....	3,406	153,346	5,973	400,487
Manitoba .....	585	22,159	1,096	64,408
Saskatchewan .....	591	20,465	916	47,968
Alberta .....	1,239	52,242	2,106	118,403
British Columbia .....	1,811	89,182	2,854	194,270
Yukon .....	46	2,751	63	3,745
N. W. Territories .....	26	1,793	48	5,235
Total .....	<u>10,627</u>	<u>488,667</u>	<u>18,115</u>	<u>1,235,926</u>

## Summary statistics of loans

for fiscal years ended September 30

(Millions of Dollars)	1964	1965	1966	1967	1968	1969
Amounts drawn down by borrowers .....	69.6	80.8	98.0	96.3	105.4	122.4
Repayments by borrowers .....	46.0	49.8	54.8	60.5	69.0	74.1
Amounts written off (net)						
Principal .....	.2	.4	.3	.6	.4	.4
Interest .....	—	(.2)	(.1)	(.1)	(.1)	—
Increase in amounts outstanding .....	23.4	30.6	42.9	35.2	36.0	47.9
Amounts outstanding at year-end .....	223.7	254.3	297.2	332.4	368.4	416.3
Amounts not yet disbursed at year-end on loans authorized .....	39.7	42.6	52.5	55.1	57.7	72.4
Amounts outstanding plus undisbursed at year-end ...	263.4	296.9	349.7	387.5	426.1	488.7
Number of customers on the books at year-end .....	6,027	6,961	7,868	8,593	9,509	10,627
Average amount outstanding plus undisbursed per customer (thousands of dollars) .....	44	43	44	45	45	46



## Classification of loan approvals by type of business

during fiscal years ended

	NUMBER			
	1964	1965	1966	1967
Manufacturing:				
Foods and Beverages	148	151	153	124
Tobacco and Tobacco Products	—	1	1	—
Rubber Products	5	4	13	5
Leather Products	14	18	17	13
Textile Products (except Clothing)	19	26	22	24
Clothing (Textiles and Fur)	38	49	35	35
Wood Products	115	119	147	102
Paper Products (including Pulp)	15	13	14	22
Printing and Allied Industries	47	55	70	48
Iron and Steel Products (including Machinery and Equipment)	183	191	207	170
Transportation Equipment	24	20	20	22
Non-Ferrous Metal Products	2	9	8	7
Electrical Apparatus and Supplies	16	19	15	17
Non-Metallic Mineral Products	47	49	43	34
Products of Petroleum and Coal	3	2	2	2
Chemical Products	9	22	18	19
Miscellaneous Manufacturing Industries	47	53	57	48
Commercial Air Services	15	23	16	25
Warehousing (including Refrigeration)	9	9	8	10
Other Transportation and Storage	67	92	76	63
Electric Power, Gas, Water Utilities	4	3	3	7
Mines (incl. Milling), Quarries, Oil Wells	17	25	25	18
Construction	117	130	143	128
Industrial Buildings	39	38	60	77
Personal Services	11	7	15	23
Forestry	7	4	8	16
Wholesale Trade	151	196	197	161
Retail Trade	289	320	338	343
Education and Health Services	7	9	14	20
Recreation Services	44	29	34	31
Services to Business Management	13	16	24	30
Miscellaneous Services	43	43	43	46
Agriculture	202	205	185	169
Fishing and Trapping	5	6	3	7
Communications	16	9	18	17
Laundries, Cleaners and Pressers	52	39	41	32
Restaurants and Other Eating Places	82	75	95	91
Hotels, Motels and Other Lodgings	145	105	130	147
Theatres, Bowling Alleys, Billiard Halls	16	25	16	15
(Enterprises engaged in more than one type of business are classified according to major activity.)	<u>2,083</u>	<u>2,209</u>	<u>2,334</u>	<u>2,168</u>

## AMOUNT (\$000)

1968	1969	1964	1965	1966	1967	1968	1969
137	138	8,944	8,655	10,787	7,366	7,423	8,682
1	—	—	74	50	—	40	—
6	20	233	192	971	252	206	1,321
8	13	434	644	793	577	364	809
19	21	1,610	4,481	2,176	1,777	2,375	1,697
27	35	1,919	2,102	2,158	2,727	1,444	2,439
100	126	5,954	6,321	11,653	7,078	4,825	8,068
7	18	758	1,454	1,837	1,516	272	2,609
56	55	2,290	1,775	3,888	2,636	2,036	3,083
199	196	12,434	9,660	14,112	9,282	11,121	12,814
31	29	737	844	1,018	1,215	1,788	1,654
11	7	407	336	828	841	484	439
18	17	1,240	1,200	918	1,687	1,358	1,143
41	38	2,625	3,342	3,788	1,361	3,049	2,469
—	—	169	60	155	152	—	—
24	22	277	804	677	745	1,429	1,845
50	65	2,035	2,894	2,775	1,954	1,992	3,114
21	23	993	845	1,903	6,040	833	1,351
5	9	439	521	472	916	275	602
77	77	4,078	5,492	3,733	6,255	4,456	6,775
6	4	79	70	43	154	195	165
17	20	1,053	1,102	1,986	1,129	1,123	1,319
160	176	4,004	4,527	5,809	4,960	6,333	7,226
144	198	1,616	1,836	2,803	4,358	9,916	10,780
14	25	516	362	446	706	616	773
11	6	147	176	336	661	257	193
153	205	5,509	6,808	9,498	8,204	6,967	10,340
430	501	7,522	9,014	12,202	13,525	14,781	17,199
48	34	100	696	984	1,189	1,912	2,143
42	39	1,929	1,031	1,639	1,504	1,876	2,115
28	40	307	498	881	686	801	1,594
52	56	1,061	1,164	1,480	2,116	1,934	1,551
199	194	5,922	7,118	6,876	6,121	8,355	7,865
11	13	166	350	65	143	208	195
7	16	515	468	890	1,075	365	778
47	56	1,564	1,374	1,223	1,059	2,086	1,572
110	174	2,627	2,077	3,506	3,304	4,126	7,160
184	298	5,307	4,839	6,728	7,019	12,261	18,576
14	24	628	940	560	842	371	982
<u>2,515</u>	<u>2,988</u>	<u>88,148</u>	<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>

## Income and Expense Year ended September 30, 1969 (with comparative figures for 1968)

	(\$000)	(\$000)
INCOME	1969	1968
Interest .....	\$30,569	\$26,378
Profit on sale of investments .....	40	190
Sundry .....	501	487
	<u>\$31,110</u>	<u>\$27,055</u>
 EXPENSE		
Salaries <sup>(1)</sup> .....	\$ 6,022	\$ 5,285
Pension fund, unemployment insurance and group insurance .....	614	532
Other staff expenses <sup>(2)</sup> .....	126	99
Investigation and supervision expenses .....	126	113
Travel and transfer expenses .....	328	289
Rental and other costs — leased premises .....	743	703
Depreciation on equipment .....	97	93
Advertising .....	130	118
Other public information <sup>(3)</sup> .....	96	80
Telephone and telegrams .....	189	166
Office supplies and expenses .....	268	234
Directors' fees .....	10	11
Auditors' fees and expenses .....	20	18
All other operating expenses .....	97	85
Total operating expenses .....	<u>\$ 8,866</u>	<u>\$ 7,826</u>
Interest on debentures (including amortization of discount and premium) .....	20,107	16,478
Provision for losses .....	1,764	1,976
	<u>\$30,737</u>	<u>\$26,280</u>
Balance of income transferred to reserve fund .....	<u>\$ 373</u>	<u>\$ 775</u>

(1) The number of staff averaged 692 in 1969 and 642 in 1968.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

## Reserves

### STATEMENT OF RESERVE FUND

Year ended September 30, 1969 (with comparative figures for 1968)

	(\$000)	(\$000)
	1969	1968
Balance, beginning of year .....	\$20,367	\$19,592
Balance of income for the year .....	373	775
Balance, end of year .....	<u>\$20,740</u>	<u>\$20,367</u>

### STATEMENT OF RESERVE FOR LOSSES

Year ended September 30, 1969

		(\$000)
Balance, beginning of year .....		\$ 8,750
<i>Add:</i>		
Recovery of amounts previously written off .....	\$ 33	
Provision for bad and doubtful debts for the year ended September 30, 1969 .....	<u>1,764</u>	<u>1,797</u>
		10,547
<i>Less:</i>		
Bad debts written off .....		<u>1,297</u>
Balance, end of year .....		<u>\$ 9,250</u>



## Statement of Assets and Liabilities as at September 30, 1969 (with comparative figures for 1968)

### ASSETS

	1969	1968
Cash .....	\$ 108,552	\$ 78,994
Government of Canada Treasury Bills .....	—	999,540
Loans and investments .....	418,908,136	370,915,993
Accrued interest .....	1,721,981	1,796,473
Property held for sale .....	1,473,397	2,557,602
Liability of others on guarantees and underwriting agreements (as per contra) .....	13,975	13,975
Debenture discount and premium less amortization .....	395,195	1,172,758
Other assets .....	779,492	1,411,330
	<u>\$423,400,728</u>	<u>\$378,946,665</u>

NOTE — Amounts not disbursed at September 30, 1969  
on loans and investments authorized,  
\$72,407,543 (1968, \$57,696,379).

L. RASMINSKY

*President*

A. J. NORTON

*Chief Accountant*

figures for 1968)

## LIABILITIES

	1969	1968
Debentures outstanding .....	\$331,500,000	\$293,600,000
Accrued interest on debentures .....	9,702,951	8,285,860
Liabilities under guarantees and underwriting agreements .....	13,975	13,975
Other liabilities .....	1,193,709	929,943
Reserve for losses .....	9,250,000	8,750,000
Capital:		
Capital stock — authorized 750,000 shares par value \$100 each; issued and outstanding — 1969, 510,000 shares; 1968, 470,000 shares .....	51,000,000	47,000,000
Reserve fund .....	20,740,093	20,366,887
	<u>71,740,093</u>	<u>67,366,887</u>
	<u>\$423,400,728</u>	<u>\$378,946,665</u>

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1969. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinion the above statement of assets and liabilities presents fairly the financial position of the Bank as at September 30, 1969.

T. C. KINNEAR, F.C.A.  
of Price Waterhouse & Co.

J. RENÉ DE COTRET, C.A.  
of René de Cotret & Cie

Ottawa, October 22, 1969

## Board of Directors

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*L. Rasminsky, C.C., C.B.E.	Ottawa, Ont.
*J. R. Beattie	Ottawa, Ont.
*A. I. Barrow, C.A., R.I.A.	Halifax, N.S.
*R. B. Bryce	Ottawa, Ont.
E. G. Byrne, Q.C.	Bathurst, N.B.
S. E. Green	Charlottetown, P.E.I.
S. Kanee	Winnipeg, Man.
S. G. Lake	Burgeo, Nfld.
J. L. Lewtas, Q.C.	Toronto, Ont.
*W. A. Mackintosh, C.C.	Kingston, Ont.
D. F. Matheson	Yorkton, Sask.
L. Patrick, C.B.E.	Calgary, Alta.
M. Riel, Q.C.	Montreal, Que.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.
*J. H. Warren	Ottawa, Ont.

*\*Member of the Executive Committee*



Packaging frozen corn.



Assembling aluminum window frames.



Moulding polystyrene biscuit trays.



Sewer excavation.



## Officers

President . . . . .	L. Rasminsky, C.C., C.B.E.	
General Manager . . . . .	E. R. Clark . . . . .	Montreal
Assistant General Manager . . . . .	C. E. DeAthe . . . . .	Montreal
Assistant General Manager . . . . .	H. J. C. Russell . . . . .	Montreal
Assistant General Manager, Atlantic Region . . . . .	K. A. Powers . . . . .	Halifax
Assistant General Manager, Quebec Region . . . . .	Lucien Viau . . . . .	Montreal
Assistant General Manager, Central Region . . . . .	W. C. Stuart . . . . .	Toronto
Assistant General Manager, Prairie Region . . . . .	J. C. Ingram . . . . .	Winnipeg
Assistant General Manager, British Columbia Region . . . . .	J. E. Millard . . . . .	Vancouver
Secretary . . . . .	L. F. Mundy . . . . .	Ottawa
Deputy Secretary . . . . .	P. D. Smith . . . . .	Ottawa
Deputy Secretary . . . . .	G. Hamilton . . . . .	Ottawa
Chief Accountant . . . . .	A. J. Norton . . . . .	Ottawa
Internal Auditor . . . . .	R. F. Hirsch . . . . .	Ottawa
Superintendent, Credits . . . . .	G. R. Elliott . . . . .	Montreal
Superintendent, Personnel . . . . .	P. F. Limoges . . . . .	Montreal
Personnel Officer . . . . .	J. A. McKee . . . . .	Montreal
Assistant Personnel Officer . . . . .	A. E. Côté . . . . .	Montreal
Administrative Assistant . . . . .	C. R. T. Bingley . . . . .	Montreal
Administrative Assistant . . . . .	R. B. Thomas . . . . .	Montreal
Controller . . . . .	H. Duncan . . . . .	Montreal
Assistant Controller . . . . .	R. G. Forsythe . . . . .	Montreal
Assistant Controller . . . . .	R. L. McLean . . . . .	Montreal
General Solicitor . . . . .	H. M. Scott . . . . .	Montreal
Associate General Solicitor . . . . .	G. Bousquet, q.c. . . . .	Montreal
Chief Engineer . . . . .	B. K. Heron . . . . .	Montreal
Assistant Chief Engineer . . . . .	E. C. Scott . . . . .	Montreal
Chief, Insurance Department . . . . .	W. L. Mundy . . . . .	Montreal
Industrial Research Officer . . . . .	L. E. Barclay . . . . .	Ottawa
Deputy Secretary . . . . .	C. I. Stuart . . . . .	Montreal
Deputy Secretary . . . . .	G. R. d'Artois . . . . .	Montreal
Information Officer . . . . .	J. W. Sivers . . . . .	Montreal
Special Consultant . . . . .	A. N. H. James . . . . .	Montreal

## Officers (continued)

### REGIONAL AND BRANCH OFFICES

ATLANTIC REGION	Assistant General Manager: K. A. Powers	1583 Hollis Street, Halifax
Regional Office	Supervisor: J. G. Kenna	1583 Hollis Street, Halifax
St. John's	Manager: E. A. Duddle	85 Elizabeth Avenue
Halifax	Manager: D. A. Kerley	1583 Hollis Street
Saint John	Manager: K. W. Bolam	75 Prince William Street
Moncton	Manager: J. P. Michaud	236 St. George Street
QUEBEC REGION	Assistant General Manager: Lucien Viau	901 Victoria Square, Montreal
Regional Office	Supervisor: J. E. Nordin Assistant Supervisors: G. Bourbonnière, J. M. Dunbar	901 Victoria Square, Montreal
Rimouski	Manager: C. L. L'Espérance	320 St. Germain Street, East
Quebec	Manager: J. Y. Milette Assistant Manager: G. H. Bourque	925 Chemin St. Louis
Chicoutimi (Sub-Branch to Quebec)		152 Racine Street, East
Trois-Rivières	Manager: J. Y. Bernier	550 Bonaventure Street
Montreal (North)	Manager: I. M. Wills Assistant Managers: M. Dépot, J. A. Clinton	110 Cremazie Boulevard West, Montreal
Rouyn-Noranda (Sub-Branch to Montreal (North))		155 Dallaire Avenue, Rouyn
Montreal (South)	Manager: G. L. Vézina Assistant Managers: H. P. Carmichael, J. R. Leduc	800 Victoria Square, Montreal
Sherbrooke	Manager: J. Lagacé	1845 King Street, West
Ottawa	Manager: P. H. Johnson Assistant Manager: J. A. Sutherland	238 Sparks Street
CENTRAL REGION	Assistant General Manager: W. C. Stuart	250 University Avenue, Toronto
Regional Office	Supervisor: E. A. Bell Assistant Supervisor: K. K. Hay-Roe	250 University Avenue, Toronto
Metropolitan Toronto	Manager: I. D. MacLaren Assistant Managers: L. E. Crowley, W. Y. Torrance	250 University Avenue, Toronto

## Officers (continued)

### CENTRAL REGION (continued)

Mid-Ontario	Manager: R. T. Mactavish Assistant Manager: J. R. Bernard	250 University Avenue, Toronto
Hamilton	Manager: J. T. Horne Assistant Manager: R. J. Kenny	20 Hughson Street, South
Kitchener-Waterloo	Manager: J. B. S. Oldaker	Waterloo Square Building, Waterloo
London	Manager: C. V. Spielman	291 Dundas Street
Windsor	Manager: J. O. Skerry	267 Pelissier Street
Sudbury	Manager: G. W. Madore Assistant Manager: R. J. Collins	96 Larch Street
Lakehead	Manager: C. B. Ready	106 Centennial Square, Fort William

### PRAIRIE REGION

(including Northwest Territories)

Regional Office	Assistant General Manager: J. C. Ingram	1 Lombard Place, Winnipeg
Winnipeg	Supervisor: R. H. Wheeler Manager: H. W. Baker Assistant Manager: D. S. Brown	1 Lombard Place, Winnipeg 360 Broadway
Regina	Manager: G. J. Hiltz	2220-12th Avenue
Saskatoon	Manager: H. D. Ramsey	406-21st Street, East
Calgary	Manager: F. G. Stewart Assistant Managers: D. B. Anderson, J. C. Clarke	320 Seventh Avenue, S.W.
Edmonton	Manager: O. H. Morgan Assistant Manager: T. F. Ching	601 Chancery Hall

### BRITISH COLUMBIA REGION

(including Yukon Territory)

Regional Office	Assistant General Manager: J. E. Millard	900 West Hastings Street, Vancouver
Kelowna	Supervisor: L. F. Smith Assistant Supervisor: N. J. Weedmark	900 West Hastings Street, Vancouver
Prince George	Manager: M. D. Rudkin Assistant Manager: M. Kartasheff	1460 Pandosy Street
New Westminster	Manager: J. G. Wilson Assistant Manager: K. E. Neilson	1320 Fifth Avenue
Vancouver	Manager: M. T. Collins Assistant Manager: R. W. Gray	765-6th Street
Victoria	Manager: W. H. Jay Assistant Manager: K. R. Miller	900 West Hastings Street
	Manager: R. P. Dohan Assistant Manager: M. Gumprich	777 Broughton Street





Music school.



Testing precision equipment for aircraft.



Ladies' shoe store.



Processing wood furniture components.



## Summary of operations 1944-1969 (Thousands of dollars)

Fiscal years ended September 30	November 1944 to 1961	1962	1963
<b>LOANS AND INVESTMENTS</b>			
Authorized during period	372,230	92,006	79,961
Less: Cancellations and reductions	55,303	9,761	13,317
Net authorizations	316,927	82,245	66,644
Disbursements	285,473	74,463	74,208
Less: Repayments and write-offs	162,212	32,799	38,241
Increase in amounts outstanding	123,261	41,664	35,967
<b>INCOME AND EXPENSE</b>			
Income from loans and investments	41,627	9,384	12,251
Other income	3,727	308	378
Total income	45,354	9,692	12,629
<b>Operating expenses</b>			
Salaries and other staff expenses	11,190	3,008	3,410
Other	3,641	1,133	1,241
Total operating expenses	14,831	4,141	4,651
Cost of debentures	11,196	4,486	6,556
Net income before provision for losses	19,327	1,065	1,422
of which:			
Appropriated to reserve for losses	3,817	650	729
Transferred to reserve fund	15,510	415	693
<b>WRITE-OFFS</b>			
Bad debts written-off, net	1,118	250	129
<b>YEAR-END BALANCE SHEET</b>			
Loans and investments, including agreements for sale		164,925	200,928
All other assets		2,210	3,642
Total assets		167,135	204,570
Capital, issued and paid up		30,000	33,000
Reserve fund		15,925	16,618
Reserve for losses		3,100	3,700
Debentures outstanding		115,300	147,600
All other liabilities		2,810	3,652
Total liabilities		167,135	204,570

1964	1965	1966	1967	1968	1969	Cumulative Total
88,501	96,246	122,664	113,442	120,279	153,440	1,238,769
10,627	12,418	14,771	14,223	12,171	16,353	158,944
77,874	83,828	107,893	99,219	108,108	137,087	1,079,825
69,534	81,141	98,143	96,631	105,466	122,376	1,007,435
46,198	50,224	55,181	61,197	69,721	74,596	590,369
23,336	30,917	42,962	35,434	35,745	47,780	417,066
14,246	16,638	19,293	22,863	26,396	30,575	193,273
414	469	482	583	659	535	7,555
14,660	17,107	19,775	23,446	27,055	31,110	200,828
3,578	3,884	4,794	5,300	5,915	6,762	47,841
1,328	1,411	1,596	1,746	1,912	2,104	16,112
4,906	5,295	6,390	7,046	7,827	8,866	63,953
7,891	9,549	11,457	13,875	16,478	20,107	101,595
1,863	2,263	1,928	2,525	2,750	2,137	35,280
998	1,323	1,393	1,891	1,976	1,764	
865	940	535	634	774	373	
198	573	393	641	726	1,264	5,292
224,267	255,154	298,178	334,328	370,916	418,908	
5,144	6,877	6,935	6,477	8,031	4,493	
229,411	262,031	305,113	340,805	378,947	423,401	
35,000	38,000	41,000	44,000	47,000	51,000	
17,483	18,423	18,958	19,592	20,367	20,740	
4,500	5,250	6,250	7,500	8,750	9,250	
168,100	195,400	232,800	262,500	293,600	331,500	
4,328	4,958	6,105	7,213	9,230	10,911	
229,411	262,031	305,113	340,805	378,947	423,401	

Ski resort.

















